



***West Bank / Gaza Accounting  
and Auditing Sector Program***

**Quarterly Report - Q2 2002**  
**January 2001 – March 2001**

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**In association with:**

East - West Management Institute

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# West Bank / Gaza

## Accounting and Auditing Sector Program

IQC no. PCE-I-00-99-00008-00  
TO OUT-PCE-I-802-99-00008-00

### Quarterly Report

**Q 2 - 2002**

April 01 – June 30, 2002

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- Open Meeting Statistics
- PSCPA Open Meeting Transcript
- PSCPA Magazine Index
- PSCPA Magazine Articles
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##### Other Activity

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- Media Report
- Newspaper Articles Translations

## Summary

The elevated level of turbulence which marked the beginning of Q2-2002 offered a unique moment of opportunity to demonstrate the strong will of this Program to move forward. Encouraged by a responsive, willing constituency who value its contributions, it moved aggressively forward to answer a call for leadership, to continue its momentum - achieving goals, fulfilling plans.

Successes achieved during this quarter are the product of determination.

Delivering a clear message of steadfastness and persistency in the pursuit of the objective of upgrading, comprehensively the Palestinian accounting and auditing sector several very visible actions were taken. Great gains were scored in transparency, ethics and deployment of knowledge.

Overall, the Program has reached a critical point – it has won many allies. It is a potent force in creating conditions necessary for moderating substantive changes in regulations as well as outlook. A spirit of local national ownership and responsibility has been created, allowing for development while clearly meeting objectives.

Noteworthy accomplishments of the Quarter included:

- ★ **International Valuation Standards** were completed by the Palestinian Association of Accountants and Auditors (PAAA), the only Arabic translation available in the world as well as one of the few foreign language editions.
- ★ **Self-regulatory Organizations Activities** showed commitment while facing challenges. Open meetings continued to occur, financial disclosures were made, periodicals were published
- ★ **Educational Activities** became even more innovative, developing new delivery platforms and adapting existing materials effectively.
- ★ **The Code of Ethics for Professional Accountants** (IFAC) in its latest form, was translated and released by the Palestinian Association of Accountants and Auditors.
- ★ **Media and Public Awareness** ensured and extended the presence of activities. On average, once pre-week information appeared concerning achievements, activities and plans.
- ★ **Internal Auditing** concepts and ideas were introduced to the community by the Palestinian Association of Accountants and Auditors.

At no other time has realization of the potential, as well as the resiliency, of the Program been more apparent than during Q2-2002. Ideally positioned, the Program will continue to develop all areas of the Palestinian accounting and auditing sector until its schedule closure – October 31, 2002, its legacy shall carry on.

There is a will to change within most of the financial community, to meet future challenges – successful management of this change in line with international established accepted and tested norms is necessary.

Determination, confidence and commitment are clearly evident – in the Program as well as in the environment. The road ahead is still long and challenging, momentum is clearly within the Program.

## Training Activities

Maintaining its lead, as the SRO which provides value for its members, the Palestinian Association of Accountants and Auditors fulfilled its commitment moving closer towards a structured program leading to a competency-based exam for “professional certification”.

Working together with the Program, the PAAA gained an understanding of the concept of connecting CPE courses into an educational stream. A pilot program was developed, orientated towards developing “Auditing Practitioners”. This was selected to increase the numbers of persons with a good understanding of auditing in Gaza. Three courses (52 CPE hours): Basic Auditing, Advanced Auditing and CPA’s Professional Ethics were brought together. Materials previously issued by the Program – such as the CPA’s Guide to Professional Ethics and the Dr. Jerbou text were used – extracting more return on the investment made.

Five groups – totaling 229 persons (200 male / 29 female) registered for the “Auditing Practitioner” course. Attendance remained high, 95% plus. It is expected that a high number of the attendees will “sit for” a comprehensive final exam – and it is hoped that an equally high percentage will pass.

Valuable experience was gathered by the PAAA through this exercise – an important milestone was passed for future development. Within the next and final quarter of this Program – we shall work together with the PAAA to focus on competency based achievement recognition. The PAAA leadership has detailed knowledge of the Institute of Management Accounting’s Certified Management Accountant and Certified Financial Manager exams – as well as the Institute of Internal Auditor’s Certified Internal Auditor exam. A realistically achievable goal would be a migration of core elements of these and similar exams into the local environment currently, with a longer term goal of full adoption. This process began with the “Auditing Practitioner” – the PAAA is moving upwards on a learning curve that will enhance its place as representing a profession rather than a group.

Within this same area – it was reported that the Palestinian Society of Certified Public Accountants engaged in a multi-nation, fact finding tour to discover how others prepare and manage certification, competency exams. The last information received was that the PSCPA shall be developing and administering their own exam. The Program did not however participate in the tour – it provided some guidance urging moving towards using a more internationally accepted exam such as the ASCA – “Arab CPA”.

Discussions stopped, training using the CPA’s Guide to Professional Ethics translated for and provided to the Palestinian Society of CPAs was completed. One hundred sixty five persons – 70% of which were CPAs attended (approximately 50% of the circa 200 PSCPA members) – a 12 CPE hour seminar and received a copy of the text for future reference. Most of the

attendees participated in a short quiz to verify their comprehension of the material.

Distance learning moved to another level in the Program with the introduction of a new area – “Internal Auditing Standards”. With the extreme restrictions on mobility, the Program has used options such as self directed learning materials – CDs as well as hard copies, conference calls, etc. This Quarter the Program “beta” tested the use of video conference. Sharing resources with another USAID program and making use of an existing Palestinian installed base the Program gave a three hour short overview session explaining basics of internal auditing – showing and telling about the Institute of Internal Auditing Standards. Three locations were linked – Ramallah, Gaza and Hebron; seventy persons participated (twice the average seminar size). In addition to improving delivery capability, tangible and positive results were noted from all.

Close to 35 man-years of “CPE” type training have been given by the Program to date.

### **Educational Reform**

Performance in the area of educational reform this quarter provides additional evidence of its proactive approach – not waiting on events – solutions were found, opportunities were made use of.

Results with educational institutions are impressive.

Originally planned to interact with five universities – the Program has good contact with all six major schools plus the “open university”. Approximately 1200 students (73% male, 27% female) have passed through the two courses, which the Program designed, Accounting and Auditing. Each of these was purpose built to bring International Accounting Standards (IAS) as well as International Standard on Auditing (ISA) to students. Each course is available in both English and Arabic – serving the needs of all students. The Program has also ventured out; bring IAS to the discipline of Finance.

Continuing its innovative approach towards delivery – the Program did two things which will significantly expand those who are exposed to International Accounting Standards and International Standards on Auditing.

The first addressed the absence of “regular” text books – in any language – dealing with International Standards – accounting or auditing – encumbers some, but not this Program.

Combined with the continuing program of upgrading reference materials via donation (the Program has donated over eighteen titles), the Program selected five “quality” text books from the market (most of which are in use in Palestine). It set about building “Bridges” - working from them towards international standards. Each chapter was examined – where a standard was mentioned – for example FASB – the corresponding IAS was linked. “Bridging Papers” were

permanently affixed to each book and these were donated to both Universities as well as SROs. In addition to the immediate impact of raising the level of awareness – as convergence of standards moves forward – users of these materials be ideally positioned to lead and benefit from this trend.

The second, which was extremely well-received into the academic community, was the first of a series of “teacher’s aids”. A simple, effective and inexpensive tool for helping jog the memory of current “clients” while passively increasing the contacts made. It is a laminated A4 document, packed with information. This quarter the Program produced and distributed one which contains an “overview” of vital information – Listings of all International Accounting Standards, International Standards on Auditing and Statements of Management Accounting. It also provided contacts for the SROs, useful websites, etc.

Working closely together with the Universities – the Program was able to deliver 100% of its course work during the quarter. Students faced up to the challenges and delivered regularly almost 100% attendance.

## **Regulatory Reform**

### **Law**

The Program’s resolve in this area is particularly strong. It is committed that once conflicts both internal to the sector as well as external in the environment are over, a new environment of regulation and clear discipline will come into existence. Individuals and organizations internal to the sector which are using the current crisis as an opportunity to deter progress are being delivered this clear message.

Political conditions were seldom more adverse than during this Quarter.

Given positive development within the external operating environment, activities can be quickly geared up to make available the elements necessary to complete the legislative milestone. Longevity of this is depended upon the unity and resolve of all stakeholders, therefore the Program has a lasting commitment to cross-promote a superior and sustainable legal framework runs throughout all activities.

### **SRO & Standards**

Ambitious goals have always been set for development of SROs and leaving a legacy of materials – Standards, text books, periodicals – upon which the Palestinian Accounting and Auditing sector can build – the work product of Q2-2002 clearly met and exceeded these targets, despite the adverse conditions.

Strengthening the presence of Palestine in the global professional community, working together with Mr. Mahmoud Musleh, the Palestinian Association of Accountants and Auditors published the “International Valuations Standards

(IVS)". The IVSs are a set of international accepted and applied standards which outline methodology for determining value. Their use has been supported by the International Accounting Standard Committee; they are accepted for use by the World Bank and are recommended for application in governmental entities.

Production of this volume complements the International Standards on Auditing (issued during 2001 by the PSCPA) and will be a valuable supplement to the Official "Arabic Language" edition of the International Accounting Standards, which is to be available to the public by Q3-2002. The Palestinian Society of CPA has joined the efforts of the Accounting and Auditing Federation for Islamic Financial Institutions, authorized by International Accounting Standards Board, to produce this edition. All materials generated by during period where the PAAA to produce their "Palestinian Adaptation" of the International Accounting Standards has been passed over to the PSCPA to foster cooperation.

Additional resource material was introduced by the PAAA into the environment. Recently, the International Federation of Accountants (IFAC) reworked their Code of Ethics for Professional Accountants. The PAAA Committee for Professional Ethics reviewed and issued the first Arabic translation of this document. Copies of this will be distributed by the PAAA widely – throughout the accounting and auditing profession as well as to students and other interested parties, as an indication of their commitment to the community.

Each of the SRO's issued quarterly journals. Once again, substantial operational assistance; content, printing, distribution, etc was given to the Palestinian Society of CPAs in production of their third (re-launched) journal. Improvements both in cost of production as well as content were made. The Palestinian Association of Accountants and Auditors produced their journal independently – with broad consultation from the Program. Extremely noteworthy is that the PAAA published their "audited" financial statements.

Open meetings continued and have become an important point in many calendars. The PAAA held their sixth such event, the PSCPA made their first attempt. Dialogue and interaction have increased and these events are being effectively utilized an information platform. Light is being shed into each organization – members as well as other concerned parties are better able to formulate opinions and act or react accordingly.

A study tour was conducted – attending the world wide convention of the Institute of Internal Auditors. Representatives from each SRO as well as academics attended. Additionally, visits were made to the US – Financial Accounting Standards Foundation (FASB) as well as to Baruch College (CUNY) Department of Accountancy to thank Professor Dr. Carmichael – his book – the CPA's Guide to Professional Ethics was translated by Palestinians in cooperation with this Program. As with the study tours conducted during year two – this one was strategically designed to lay foundations for future direction.

Given the limited time remaining in the Program – resources will be concentrated where collaboration is more efficient and responses to the growing pressure for responsible financial management are swift. Primary to our strategy is to reduce dependency on the Program itself – building a potent lobbying force which will assure any self-regulatory organization with measure up positively to the test of time.

## **Other Activities**

### **Joint Tasks**

A high value is placed upon joint venture activities with other donor programs and activities. This Program follows a principle of seeking points of contact and cooperation, combining strengths operational as well as intellectual in order to raise the return-on-investment, to cross-capitalize upon them.

This quarter an opportunity presented itself to use “video conferencing equipment” – operated by the DPK “Rule of Law” for training.

Feedback from participants was that they were very pleased by the ability to be “served” locally - despite adverse conditions. The Program benefited from increasing the range of coverage of a limited resource – instructors.

### **Media**

Competition for space in the locally is fierce. Commitment to not miss any opportunity was demonstrated once again by the Program’s “Staff Publicist” – Erab Al Fouqaha.

A very ambitious goal was set to have one media appearance per week, this was met. Each significant event was broadcast – internally and externally.

### **Awareness Promotions**

Continuing its usual pattern of recognition of the type of commitment which will form the basis for long-range success the Program issued multiple plaques of appreciation.

Memorialized were the efforts of the Palestinian Association of Accountants and Auditors Ethics Committee as well as the Standards Setting Committee, who invested time in the Code of Ethics and the International Valuation Standards, respectively. Mr. Salah Abu Watfa was recognized for his efforts in finally completing training of PSCPA members with the book “A CPA’s Guide to Professional Ethics” (published Q4/01). Professor Dr. Nidal Sabri was recognized for working together with the Palestinian Association of Accountants and Auditors – publishing another of their sponsored educational series – a book on Management Accounting.

# United States Agency for International Development

West Bank / Gaza Mission

Accounting and Auditing Sector Program

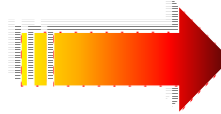
Quarterly Report

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## ★ Training Activities

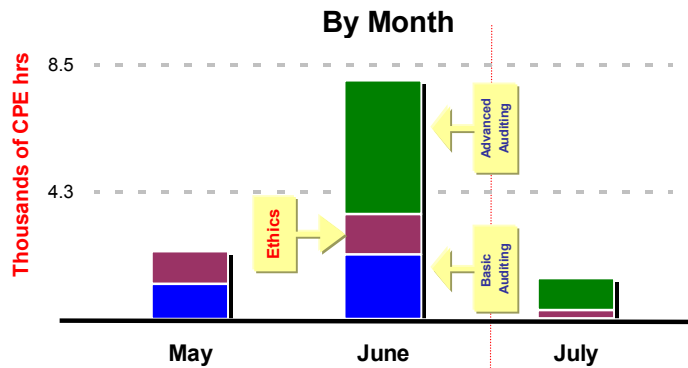
### ● Activity Charts

- PAAA Auditor Practitioner
- PSCPA Ethics Training
- PAAA Internal Auditing Training

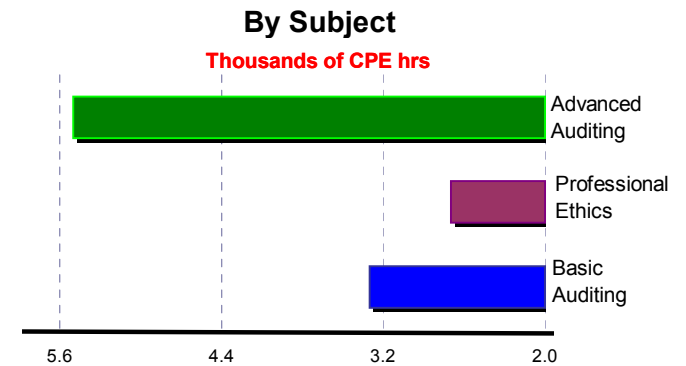
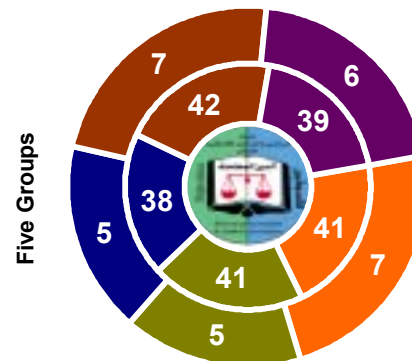


# pathway to Professional Certification

**11,554 CPE Hrs = 5.5 man years**

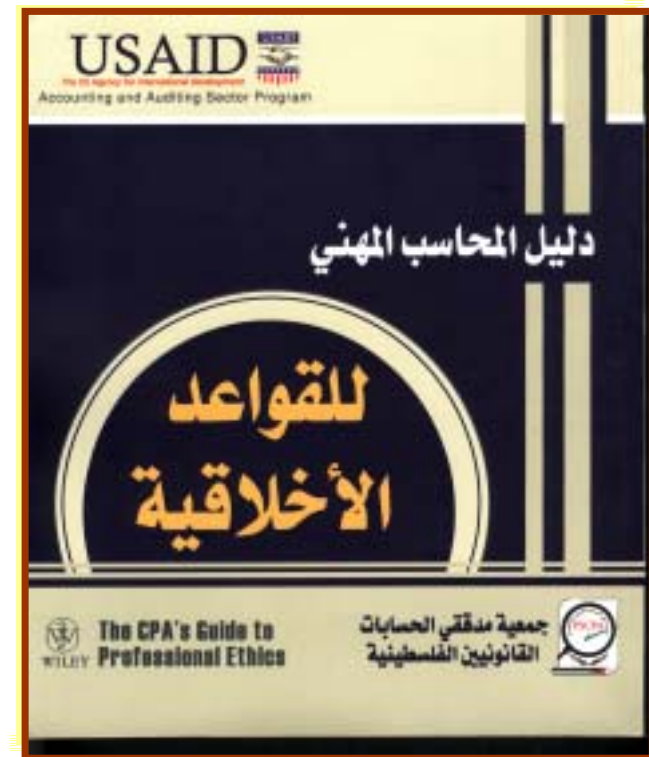
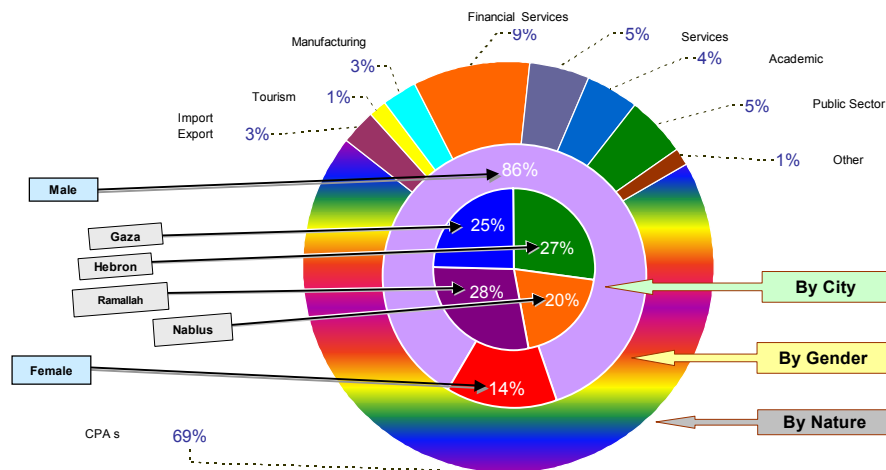


200 Male  
29 Female

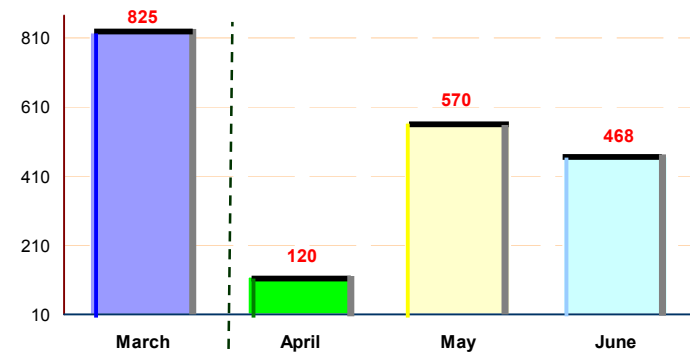


		Total	Male	Female	Public Acct	Import / Export	Tourism	Manufacturing	Fin'l Services	Services	Academics	Public Sector	Other
Hebron	23-Mar	44	39	5	36	0	0	1	0	5	2	0	0
	24-Mar	53	48	5	38	0	0	2	6	3	2	2	0
	1-Jun	40	35	5	33	0	0	1	4	0	2	0	0
	2-Jun	41	36	5	32	0	0	2	3	1	1	2	0
	Average	45	40	5	35	0	0	2	3	2	2	1	0
Nabul s	23-Mar	28	24	4	16	1	0	2	3	2	1	2	1
	24-Mar	37	30	7	19	1	0	3	5	3	1	4	1
	18-May	34	28	6	18	1	0	1	4	3	2	3	2
	19-May	32	26	6	18	1	0	3	4	2	1	2	1
	Average	33	27	6	18	1	0	2	4	3	1	3	1
Ramallah	23-Mar	57	48	9	43	2	1	0	5	2	2	2	0
	24-Mar	56	48	8	43	2	1	0	4	2	2	2	0
	5-Jun	39	33	6	27	2	1	0	3	1	2	3	0
	19-Jun	36	33	5	26	1	1	0	3	2	1	2	0
	Average	47	41	7	35	2	1	0	4	2	2	2	0
Gaza	27-Apr	40	36	4	26	2	1	0	4	2	2	2	1
	2-May	41	36	5	27	2	1	2	3	1	2	2	1
	8-May	40	35	5	27	1	1	1	4	1	2	2	1
	10-May	43	37	6	27	2	1	2	4	2	2	2	1
	Average	41	36	5	27	2	1	1	4	2	2	2	1

Total Nr of attendees **165** **143** **23** **114** **5** **2** **5** **15** **8** **7** **8** **2**



**1983 CPE Hours in Ethics !**



# Internal Audit Training

DPK  
Project  
Equipment



Hebron



Ramallah



Gaza



Ramallah 24.3%

Gaza 21.4%

Hebron 54.3%

Total

Total	Mae	Female	Public Acct	Import / Export	Tourism	Mfg	Fin'l Serv	Services	Acad.	Pub. Sector	Other
17	14	3	2	1	0	2	2	3	1	5	1
15	9	6	1	2	0	1	3	2	0	3	3
38	31	7	13	3	2	3	5	4	2	4	2
70	54	16	16	6	2	6	10	9	3	12	6

77.1% 22.9% 22.9% 8.6% 2.9% 8.6% 14.3% 12.9% 4.3% 17.1% 8.6%

Distance Learning  
"Beta Test"

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## ★ Educational Reform

### ● Activity Charts

- University Activities  
Gender & Coverage Analysis

### ● Curriculum Development

- Bridging Papers
- Teacher's Aids

	Year	Semester	Type	University	Total
1	2000	S2	Acctg	Bir Zeit	11
2	2001	S1	" "	" "	14
3	"	S2	" "	" "	48
4	"	"	" "	Hebron	49
5	"	"	" "	An-Najah	50
6	"	SS	Auditing	Bir Zeit	32
7	"	"	" "	Hebron	25
8	2002	S1	Acctg	Bir Zeit	20
9	"	"	Auditing	" "	7
10	"	"	Acctg	Hebron	22
11	"	S2	Acctg	Bir Zeit	30
12	"	"	Auditing	" "	59
13	"	"	" "	Hebron	14

**West Bank**

**381**

**32%**

14	2001	S2	Acctg	Islamic	96
15	"	S2	" "	Al-Quds	81
16	"	S2	" "	Al-Azhar	66
17	"	SS	Auditing	Islamic	100
18	"	SS	" "	Al-Azhar	194
19	2002	S1	" "	Islamic	85
20	"	S1	" "	Al-Azhar	69
21	"	S1	" "	Al-Quds	47
22	"	S1	" "	Al-Azhar	75

**Gaza**

**813**

**68%**

**Students**

**1194**

Male	Female
8	3
4	10
29	19
38	11
35	15
21	11
19	6
11	9
4	3
13	9
12	18
35	24
9	5

**238**

**143**

**62%**

**38%**

89	7
72	9
61	5
100	0
158	36
0	85
61	8
41	6
54	21

**636**

**177**

**78%**

**22%**

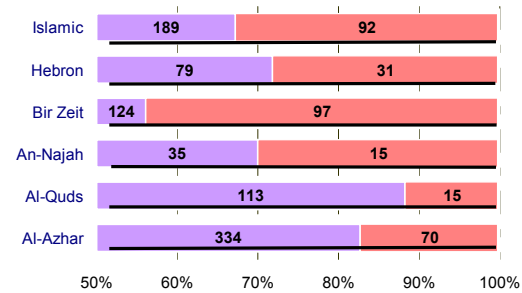
**874**

**320**

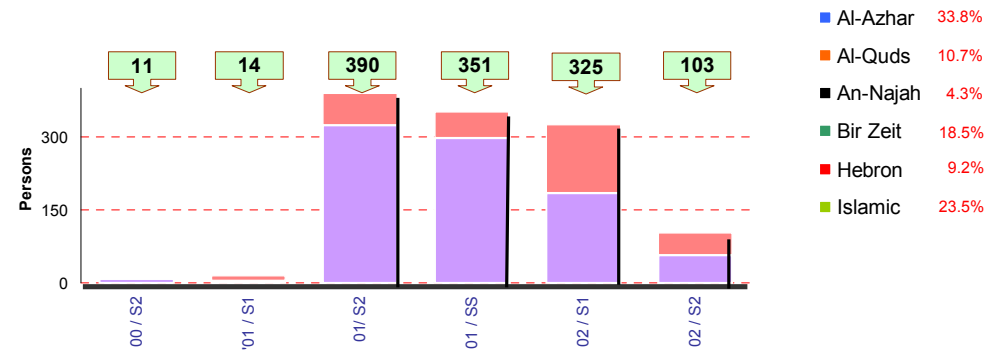
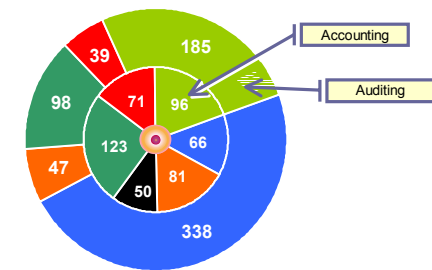
**73%**

**27%**

By Institution - By Gender



By Institution - By Subject



By School Year & Semester - By Gender



**Q2 – 2002**



## 110- Glossary of Terms

## IAS1- Presentation of Financial Statements.

PSCPA  
&  
PAAA

Bir Zeit Uni  
Hebron Uni

## 2A- Objectives of Management Accounting

[www.imanet.org](http://www.imanet.org)  
[www.ifac.org](http://www.ifac.org)

8- Managerial Accounting  
10-Financial Accounting

### التقارير التعليمية

مجموعة من تقارير الخدمات التعليمية الفلسطينية

1- **د. م. - شارع الخليل / صيدا السوادني**  
هاتف: 2406979-02  
البريد الإلكتروني: PACPASS@asiasa.com

2- **د. م. - شارع الخليل / صيدا أبو عطة**  
هاتف: 2826211-06  
البريد الإلكتروني: PSCPA@Palnet.com

مجموعة المتخصصين والمراجعين الفلسطينية

3- **د. م. - شارع الوحدة**  
هاتف: 2866852-06  
البريد الإلكتروني: WWW.paaa.net  
البريد الإلكتروني: paaa@palnet.com

### موقع إلكتروني

IFAC: [www.ifac.org](http://www.ifac.org)  
IMA: [www.ima.net.org](http://www.ima.net.org)  
AICPA: [www.aicpa.org](http://www.aicpa.org)  
IASB: [www.iasb.org.uk](http://www.iasb.org.uk)  
IVSC: [www.ivsc.org](http://www.ivsc.org)  
BU: [www.bethlehem.edu](http://www.bethlehem.edu)  
BZU: [www.bzup.edu](http://www.bzup.edu)  
HU: [www.helbron.edu](http://www.helbron.edu)

### قائمة الجامعات التي توفر الجوائز لطلقات الخدمات من قبل المشاريع

اللقب العربي

- International Accounting Standards Explained
- IAS 2001 Interpretation and Application - Wiley
- International Accounting Standards Guide 2001-Wiley
- CFA's Guide to Professional Ethics
- SBMA's - Complete set of the SB standards in 6 files
- Cost Accounting - A managerial Emphasis
- Intermediate Accounting - International Edition
- Managerial Accounting
- Accounting Principles - International Edition
- Financial Accounting



United States Agency for International Development

### Universities Provided with the Books

City	المدينة
Ramallah	رام الله
Nablus	نابلس
Jerusalem	القدس
Bethlehem	بيت لحم
Hebron	الخليل

City	المدينة
Gaza	غزة
Jerusalem	القدس

P.S.: University libraries open from 8:00 - 12:00 at all opening days.

### الجامعات التي تلقت الجوائز

المدينة العربية	المدينة الإسرائيلية
رام الله	رام الله
نابلس	نابلس
القدس	القدس
بيت لحم	بيت لحم
الخليل	الخليل

المدينة العربية	المدينة الإسرائيلية
غزة	غزة
القدس	القدس

ملاحظة: المكتبات الجامعية مفتوحة من الساعة 8:00 - 12:00 في جميع أيام العمل.

### قائمة الجامعات التي تلقت الجوائز لطلقات الخدمات من قبل المشاريع

اللقب العربي

- المركز الفلسطيني للدراسات الإسلامية
- كتاب معايير التدقيق الدولية
- المعايير الدولية - حسب معايير المعايير الدولية
- معايير دولية
- معايير المحاسبة الدولية
- معايير المحاسبة
- معايير المحاسبة
- معايير المحاسبة
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- معايير المحاسبة

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## ★ Regulatory Reform

### ● Organizational Development

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**Palestinian Association of Accountants & Auditors**

**Code of Ethics for Professional Accountants**

**International Federation of Accountants**

#### Palestinian Accountants and Auditors Association

The PAAA has been established in 1979 in Gaza and has its legal entity and separate financial position. The main objectives of the association are to:

- Develop the Accounting and Auditing profession in Palestine
- Enhance the professional level of the accountants and auditors
- Find solutions for any professional problems occurs
- Increase cooperation between its members.
- Save the rights of the accountants and auditors, and
- Create public awareness about true and fair accounting applications

IFAC is an organization of national professional accountancy organizations that represent accountants employed in public practice, business and industry, the public sector, and education, as well as some specialized groups that interface frequently with the profession. Currently, it has 156 [member bodies](#) in 114 countries, representing 2 million accountants

#### Objectives

IFAC strives to develop the profession and harmonize its standards worldwide to enable accountants to provide services of consistently high quality in the public interest.

**الاتحاد الدولي للمحاسبين**

الاتحاد الدولي للمحاسبين هو منظمة دولية مكونة من منظمات محاسبية مهنية حول العالم. وتتمثل أهدافه في: تطوير المهنة في القطاع الخاص – القطاع العام – والتعليم وكذلك العاملين في المجال المهني الشبيه لمهنة المحاسبة وحلها. تتكون من 156 عضو مؤرخ في 114 دولة، يمثلون ما يقارب المئتين وخمسين مليوناً.

**أهدافها**

الاتحاد الدولي للمحاسبين يهدف لتطوير مهنة المحاسبة وتوسيع نطاقها إلى أنحاء العالم لتتمكن المحاسبين من تقديم خدماتهم لخدمة المجتمع العامة وأعلى درجات الجودة. الاتحاد الدولي للمحاسبين يقوم بتطبيق أهدافه من خلال الإطار العام لنظمه الجديد.

**جمعية المحاسبين والمراجعين الفلسطينيين**

جمعية المحاسبين والمراجعين الفلسطينية جمعية مهنية تأسست عام 1979م في غزة. وتتبع بالشخصية المعنوية وبذمة مالية مستقلة للجمعية في مدينة غزة. ورام الله مراكز رئيسية ولها أن تنشئ فروعاً لها في أي مكان في فلسطين.

**أهداف الجمعية**

- رفع مستوى المهنة ووضع القاعدة السليمة لتأهيلها وفقاً للمعايير والأصول العلمية والتعليمية.
- رفع المستوى المهني للمحاسب والمراجع بكافة الطرق والوسائل التي تكفل ذلك.
- إيجاد الحلول السليمة للمشاكل والمخوضات المهنية المختلفة.
- تنمية روح التعاون بين أعضاء الجمعية والسعي لرفع عالية تكنولوجية.
- جمع كلمة المحاسبين والمراجعين في فلسطين والمحافظة على حقوقهم والدفاع عن مصالحهم المشروعة.
- توفير نوعية المجهود بأمانة وإخلاص تطبيق المعايير السليمة لمحاسبة مصالحهم.

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United States Agency for International Development  
West Bank / Gaza Mission  
Accounting & Auditing Sector Program  
Organisational Development  
Quarter 2 - 2002

Management Accounting  
According To the  
Statements of Management  
Accounting

Dr. Nidal Rashid Sabri  
PHD in Accounting  
BirZeit University

First Edition  
April 2002

The Palestinian Association of  
Accountants and Auditors



IMA

Management  
Accounting objectives  
1B, Environment  
Accounting 4Z, Quantity  
Management 4R ,  
Activity Based Cost 4T,  
Activity Based  
Management 4CC,  
Definition of Direct  
labor 4C, Indirect  
production cost 4G,  
Uses of the cost of  
capital 4H, Direct  
Material Cost 4E, Cost  
Management 4MM,  
Cost of capital 4A,  
Performance indicators  
4U, Shared Services  
Centers 5G, Entity  
Performance 4D, Tools  
for implementing ABC  
4EE, Environmental  
Strategies 4W, Services  
cost 4B.

IFAC

International  
Management  
Accounting Concepts,  
Computerized  
Auditing Standards,  
International  
Standards Auditing

IASC

Disclosure of policies  
No. 1, Depreciation  
No. 4, Information to  
disclosed No. 5, Cash  
flow statements No 7,  
Construction contracts  
No. 11, Reporting by  
segments No. 14,  
Revenue No. 18,  
Disclosure of banks  
No. 30, Financial  
Instrument Disclosure  
No.32, Price- Earning  
Ratio No. 33



#### Palestinian Accountants and Auditors Association – PAAA

The PAAA is a separate legal entity that was established in 1979 in Gaza. It maintains its own separate financial position. The main objectives of the Association are to:

- Develop the Accounting and Auditing Profession in Palestine.
- Enhance the professional level of the accountants and auditors.
- Find solutions for any professional problems occurs.
- Increase cooperation between its members.
- Save the rights of the accountants and auditors.
- Create public awareness about true and fair accounting applications.

#### International Valuation Standards

Rapid economic changes taking place in the 1970s served to enhance the recognition given by market participants to the importance of professional property valuations. The quickening pace in the globalization of investment markets further underscored the need for internationally accepted standards for reporting the value of property. It became obvious that without International Valuation Standards there was considerable potential for confusion.

In response to this situation, International valuation standard committee (IVSC) was found. The IVSC is an unincorporated association comprising professional valuation associations from around the world, which are bound by a single constitution.

#### International Valuation Standards

- IVS 1** Market Value Basis of Valuation
- IVS 2** Valuation Bases other than Market Value

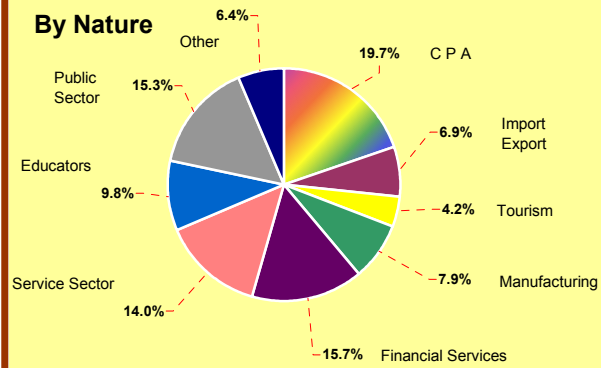
- IVA 1** Valuation of Financial Reporting
- IVA 2** Valuation for Lending Purposes

- GN 1** Real Property
- GN 2** Valuation of lease Interest
- GN 3** Valuation of Plant and Equipment
- GN 4** Intangible Assets
- GN 5** Going Concern Concept of Valuation
- GN 6** Business Valuation
- GN 7** Consideration of Hazardous and Toxic Substances in Valuation
- GN 8** Depreciation Replacement Cost (DRC)
- GN 9** Valuation Reporting
- GN 10** Discount Cash Flow Analysis

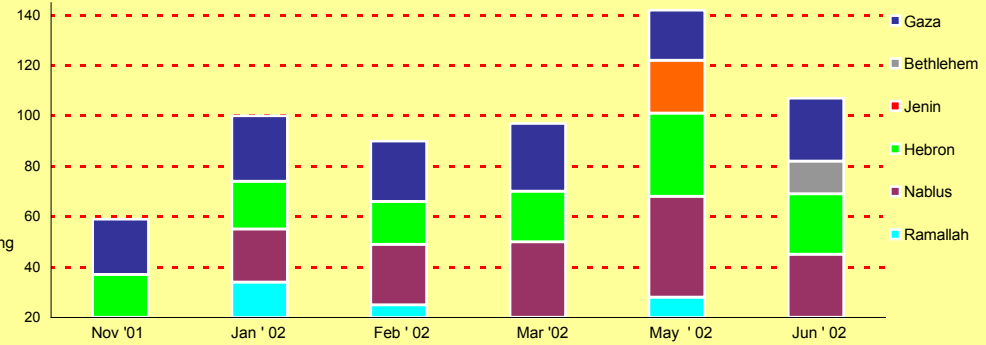
- IVS** = International Valuation Standard
- IVA** = International Valuation Application
- GN** = Guidance Note



**By Nature**



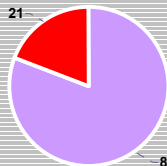
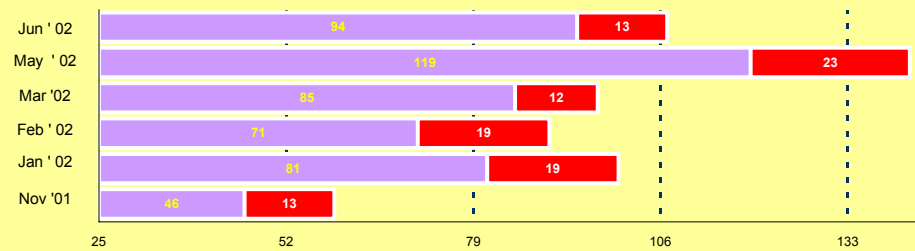
**By City**



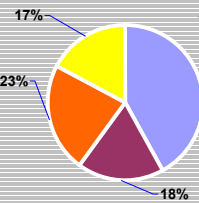
	M	F	Total
11/25/2001	46	13	59
1/14/2002	81	19	100
2/11/2002	71	19	90
3/11/2002	85	12	97
5/20/2002	119	23	142
6/17/2002	94	13	107

	11/25/01	1/14/02	2/11/02	3/11/02	5/20/02	6/17/02	Average Attendance
Ramallah	19	34	25	19	28	17	23.7
Nablus		21	24	31	40	28	28.8
Hebron	18	19	17	20	33	24	21.8
Jenin					21		21.0
Bethlehem						13	13.0
Gaza	22	26	24	27	20	25	24.0
<b>Total</b>	<b>59</b>	<b>100</b>	<b>90</b>	<b>97</b>	<b>142</b>	<b>107</b>	<b>99.2</b>

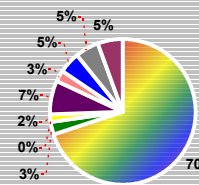
**By Gender**



**By Gender**



**By City**



**By Nature**



**Palestinian Society for Certified Public Accountants  
First Regular Open Meeting  
Thursday 16/5/2002**

You are all welcomed again, I am mentioning again how important to have these meetings, but the more important thing is to have it regularly and according to a planned agenda, we will leave sufficient time for discussion after the end of the presentations, Ghassan Soufan will give us an idea about the latest publications by the PSCPA.

**Ghasan Soufan – Member of the PSCPA Board of Directors  
Society's Publications**

**Odeh Jibreel – Chairman of the Board of Directors in the West Bank  
Introductory**

I would like to welcome you all in this **first regular open meeting** for the Palestinian Society for Certified Public Accountants (PSCPA), this meeting intends to create some sort of dialog and discussion about the issues related to the work and profession of the members of the PSCPA and others who are related to the accounting and auditing profession. This meeting connects four locations using the conference call technique in Ramallah, Gaza, Nablus and Hebron.

The PSCPA Board of Directors supports these kinds of meetings and will work on having it on a regular basis in order to strength the relationship between the members and the Society from one side and between the members themselves from the other side which will be reflected positively on the profession, also these meetings help in giving the members and other interested parties an idea about the activities of the society and it's achievements and listen to their comments and suggestions and how to develop the Society to get the maximum level of benefit for the profession. I point here again to the importance of these relationships, giving that the membership base in the Society became bigger, though this increase in the number of members was due to conditioning this membership from the Institute of General Control to get a new practice license or to renew the old one, **we in the PSCPA believe that the membership thing should be optional and should be decided by the auditor after getting his license.**

I point here also to the **draft Accounting and Auditing Practice Act which gave the Society big authorities** compared to the laws in other neighbor countries, these authorities might help in the interaction between the members and the Society aiming to develop the activities and services provided by the Society to the members.

As most of you know, we had professional relationships between the Society and other societies and associations around the world, particularly the Arab world, we are passing through very bad economic situation, and the development in our profession is related to the development in our economy, and this is a real challenge, especially these days, and it is needless to say that the auditor's living level decreased due to this situation, in the other hand we noticed that many of the audit areas for profit and non for profit entities are limited for specific audit firms, and this is considered a discrimination against the local auditors and I think it is unfair situation, and you can comment on this during our discussion to see how we can make the local auditor able to compete with the other international audit firms in the country on these jobs. In this regard I want to inform you that the PSCPA contacted the controller of the Palestinian Monetary Authority (PMA) and explained the situation which part of it is happening in the audit of banks, we provided him a list with the names of the auditors registered in the PSCPA and their contact numbers, we are supposed to have another meeting with him to see if the PMA can help in this issue.

We are happy in the Board of Directors to meet you today in the different cities, since it is our first meeting I will try to give you a summary with the most important publication done by the Society and what we are planning for the future.

1- The first "real" and most important publication for the Society was the Arabic adaptation of the **International Standards on Auditing book** published by the International Federation of Accountants under the name "International Standards on Auditing – Applicable Copy in Palestine" which was published after completing the adaptation process through the Standards Setting Committee in the Society, this process which was supervised and supported by the Accounting and Auditing Sector Program (AASP) financed by the United States Agency for International Development (USAID), we tried to make this book available for all the members and other individuals through establishing distribution centers in most of the Palestinian cities. For those who were not able to see the book we mention that it contains all the International Standards on Auditing (ISA's) and the International Audit Practice Statements (IAPS's) published by the International Audit Practice Committee (IAPC) - one of the IFAC committees – till the end of 31 of December 1999, this was after a long adaptation process continued over a year. It is important to mention that this book was published after an official permission from the IFAC to be the only "approved" Arabic copy till now. We mention here that copies of this book are still available in the PSCPA offices in Ramallah and Gaza. **We plan to market this book – maybe after making a second edition** – in the Arab world through the sister societies in the Arab countries after they expressed their interest in this Arabic edition approved by the IFAC. The Society sent out copies of this book to all the professional bodies representing the accountants and auditors in the Arab world including those in North Africa, the book was presented personally by some of the PSCAP members to the President of the Jordanian Society for Certified Public Accountants who expressed his interest in the book and offered help in getting the book distributed in Jordan.

2- The CPA Guide for Professional Ethics was published in November 2001, after translating it by the AASP/USAID and reviewing it by the Ethics Committee in the Society. The book helps CPAs, both in public practice and not in public practice, to understand and apply the guidance on ethics. It is designed to be comprehensive and integrated analysis of ethics requirements that is easy to read and easy to use. The book integrates the various requirements of the AICPA's Code of Professional Conduct, the SEC, the Independent Standards Boards, the Department of Labor, the GAO's Yellow Book, and state societies and state board. The book also contains information on ethical standards on consulting and tax services, and provides a clear and concise analysis of international ethics requirements. The book includes numerous examples and

graphics designed to illustrate complex ethics issues that CPA's and their firms face. It is important to point to the big similarity between the ethics requirements and it's applications mentioned in this book and the Code of Ethics published by the IFAC which was adapted by the PSCPA Board of Directors in it's meeting in September 2001. The book was translated and published according to an official permission obtained from John Wiley & Sons, Inc. The AASP used the material in this book in addition to the IFAC Code of Ethics Pronouncements to develop training slides offered to the PSCPA members and other interested parties in special training courses in the West Bank and Gaza.

- 3- The 4<sup>th</sup> edition of the Auditor's Magazine was published in January this year, this edition covered the last quarter in the year 2001, this edition was finished with the effort invested by the AASP/USAID team and in coordination with the Society. Copies of this edition were sent out to all members of the PSCPA via mail, and the AASP/USAID included in the magazine package as a gift for each member a C.D contains a soft copy of the International Standards on Auditing Book – Applicable Copy in Palestine – which we talked about it in item 1 earlier – in addition to the training slides for the International Accounting Standards and International Standards on Auditing and the Training Guidelines developed by the Program, this is in both Arabic and English. As you may notice in this edition it focused on topics related to accounting, auditing, taxation and code of ethics. It is extremely important here to draw your attention to the letter sent with the magazine package, in which we asked to provide the Program with information related to your membership record in the PSCPA and the contact numbers, of certain importance is providing the email addresses by all members in order to facilitate communications between the Program and the members and the Society and the members, the Program offered his assistance to open email addresses for those who don't have ones till now, this is important because the PSCPA plans to send the magazine as a soft copy for each member in order to reduce the cost of publishing were we can publish limited number of hard copies and override the recent mailing problems due to the closure of many cities most of the time. Please send these letters back after filling the needed information, this letter intends to help primarily each one of you as members of the PSCPA.
- 4- The 5<sup>th</sup> edition of the Auditor's Magazine will be finished and sent out before the end of this month, and I think that this edition is the most important one since it contains; Arabic adaptation for ISA 505 "External Confirmations" which was published by the IAPC in the IFAC in 2000 and it is considered an addition for the ISA book we discussed earlier, Arabic translation and illustration of IAS 39 "Financial Instrument: Recognition and Measurement, this is in addition to the PSCPA draft Accounting and Auditing Practice Act where you can all look at it and send back your comments which will be taken in consideration in the next reading in the Legislative Council, also you will find in this edition a group of the standard audit programs to help auditors in performing their jobs according to the International Standards on Auditing and using the most recent techniques in this regard, this is in addition to other articles about the international standards in general, tax planning, accounting for value added taxes and other topics.

The Auditor's magazine is considered to be one of the most important publications by the Society and we intend to continue in publishing it every quarter, but this needs your support through providing us with articles and other related news and activities, but it is

more important to **help us in financing the magazine** through encouraging your relatives or clients in the industrial, commercial or service sectors to have adds in the magazine. In the last edition 4 ads were published in the magazine and covered part of the magazine's cost, but we need to have more advertisements to cover more of the cost. If you want this magazine to continue, your help in getting ads and writing articles is the only way.

Thank you all for attending this meeting, and we need to have this regularly every month. I'll be happy to answer your questions and listen to your comments in the end of the meeting.

**Rajai Al Qaisi – Chairman of the Continuing Professional Education  
PSCPA Continuing Professional Education Activities**

We will talk briefly about the main activities, we had in cooperation with the AASP/USAID almost 54500 training hours during the last 20 months covered all the Palestinian cities in the West Bank and Gaza.

As one of the organizers for this meeting I will work on having it regularly from Hebron side and I will work with AASP/USAID to use the "video – conferencing" technique in the 3<sup>rd</sup> meeting. Before giving more details about the CPE activities I would like to say for those who asked **about the law** before we started the meeting, that the law was published in the 4<sup>th</sup> edition of the magazine, the magazine was sent to all the members, you can all send any comments in this regard to the PSCPA offices in Ramallah and Gaza, also the Law Issue will be one of the topics in 3<sup>rd</sup> Open Meeting – planned to be in August 29-.

The objectives of the CPE Committee are derived from the PSCPA ones, we are trying to keep the Palestinian Professional Accountant's, whether he is practicing audit or working as an employee in the private or public sector, knowledge up to date with any new accounting or auditing standards and ethical requirements, this in addition to qualifying the applicant to the profession licenses – this is under the draft law -.

To achieve this and taking in consideration the unstable political situation in the area the committee with it's five members – Rajai Al Qaisi, Abdel Hakiem Abu Dghaim, Mohamad Maswadi, Abdel Hakiem Al Alami and Nihad Hamadah – decided to have subcommittees in the areas to help in handling the training activities in the different cities and the distribution became; Jamal Hosu – Tulkarem, Hisam Massad – Jenin, Bassam Al Sahyeb and Bashar Fattouh – Nablus, Issa Al Shayeb – Bethlehem, Osama Maswadi and Rajai Al Qaisi – Hebron, Abdel Hakiem Abu Dghaim and Nihad Hamadeh and Abdel Hakiem Al Alami – Gaza.

Those all worked as one team and received the full support and cooperation from the AASP/USAID whether in coordinating, instructing or financing the activities, and it focused it's activities on the International Accounting Standards, International Standards on Auditing and the IFAC Code of Ethics, this is in addition to workshops and seminars the Financial Statements Analysis, Cash Flow Statement, Internal Auditing.....

On the Arab World level, we had contacts with their universities and professional bodies in addition to the relationship with the local universities which helped in forming the higher education idea, the contacts in this regard started with the Egyptian Universities

210 to supervise Master Degree Program for some of the PSCPA members, these universities expresses it's ability to help in this by sending instructors to teach in this program, on the other side we contacted the local universities who accepted hosting the program, the primary agreement was with Al Najah, Hebron and Jerusalem Open universities to have Master Degree and High Diploma in Auditing or any other specialized subject chosen by the PSCPA. We in the CPE Committee believe that there should be a council for the higher education to support the Society with more expertise and professionals, this should include in addition to the CPE members, members of the academic councils in the universities to be selected in coordination with the PSCPA Board. The CPE committee contacted all the members who applied for the Master Degree Program to start the first part in September this year, there is also contact with the Arab Society for Certified Accountants (ASCA) – Talal Abu Ghazaleh – to get use of the training courses they hold and the materials they prepared, the Chairman of ASCA shown readiness to support the training activities of the PSCPA.

220 With regard to the local training course held in cooperation with the AASPIUSAID, these were open for the members and those who are not members of the PSCPA, in order to get the maximum benefit from these courses and seminars, giving that these courses were instructed by many professional colleagues who worked hard to add value to the training materials and make these training courses successful events.

230 I would like to remind you that the training material is presented after coordination with the concerned committee; for example, the Ethics Committee which reviewed the Arabic translation for the IFAC Code of Ethics and CPA's Guide for Professional Ethics, and the Standards Setting Committee which worked on the adaptation and publishing of the International Standards on Auditing book. In this regard there is another activity the Society is working on; the Arabic translation of the International Accounting Standards where the PSCPA was accepted as a member in a Bahraini Association authorized from the International Accounting Standards Committee (IASC) to publish the only Arabic translation of the International Accounting Standards (IAS).

240 We tried in our distribution for the locations of the seminars and training courses to cover all the Palestinian cities as long there is a group of accountants and auditors, but we were limited also by the recent situation, our training activities covered Jenin, Tulkarem, Nablus, Ramallah, Bethlehem, Hebron and all the cities in Gaza Strip.

Externally, we have annual workshop in Cairo in cooperation with the Cairo and Ein Shams universities professors and the Egyptian Institute of Training and Management Development, and this will happen this year also as scheduled.

I would like to mention that our colleagues in Tunisia offered holding training workshop in any time we decide, we hope that we can do this very soon. By giving this idea we invite you all to participate in these training activities and we are ready to discuss any comments and answer any questions in this regard.

250

**Salah Abu Wattfa – Chairman of the Exam Committee**  
**Exam for the Profession in Palestine**

260 The PSCPA gave a special consideration for the **profession's law in Palestine**, this law was formed by the PSCPA and submitted to the Legislative Council and passed the first reading which is not final reading, many adjustments and comments should be taken in consideration in this law, these comments are extremely important to reach a useful and appropriate law.

As part of these modifications on the law is the exam subject and it's structure, this was transferred to the Practicing Committee to recommend how it will be reflected in the Law, both the Practicing Committee and the Legislative Council agreed that the PSCPA will supervise the exam, at least this idea will be added to the law in the second reading.

270

We in the PSCPA were in continuous contacts with the Arab General Union for Accountants and Auditors were a committee from Palestine, Kuwait and Egypt was formed to study the possibility of having one exam for the profession in the Arab World, as part of this process we have studied the exam structure and process in many of the Arab countries, many of these countries were visited, and we got a sample of the exams in these countries in addition to the study materials used to qualify participants to pass these exams, also we observed the exam mechanism in these countries including preparing, setting for the exam and grading. The professional bodies in Saudi Arabia were contacted in this regard and they sent us all the training materials and copies of the exam, the Egyptian Institute responsible for holding the exams for professional accountants in Egypt was also visited and from there we got also a complete set of the exam materials.

280

A visit was made for the Accounting Institute in Jordan which is responsible for all kinds of licensing exams in Jordan, we were able to observe and get information about the exam procedures, the mechanism of holding the exam and the related training courses in full detail, rules, regulations and guidelines related to the exam in Jordan. The 6<sup>th</sup> edition of the auditor's magazine will carry a summary for this visit particularly with examples of the exam and the training materials.

290

A visit was made also for Tunisia, there were two system to hold the exam in the Arab World; one American and the other is French, Tunisia follows the Tunisian's system where a high degree is given after one year study, then the practical experience for 3 years in which the accountant is observed by the Institute of Accounting Experts and followed by his training office, then the accountant submits a research reviewed by a committee formed for this reason from the Ministry of High Education and the Exam Institute.

300

**The Palestinian Exam Committee is working now on summarizing and arranging all the information and materials collected in order to prepare a draft paper** with the suggestions in order to distribute it and discuss it with you in the following open meetings taking in consideration the local applicable laws and other regulations related to the profession.

**Discussion**

310 **Odeh Jibreel – Chairman of the West Bank Board of Directors**

I want to clarify my point with regard to the International Audit Firms, we appreciate their contribution to the development of the profession in West Bank and Gaza, especially complying with the International Accounting and Auditing Standards, but though most of our local auditors are qualified to audit big companies and donors funds but they can't because this work is limited to the big audit firms, we observed also that all the banks are audited only by international audit firms, and I think this needs some analysis and discussion.

320 **Abla Nashashibi – Budget General Manager – Ministry of Finance \ Gaza**

The issue with regard to the local and international audit firm is the "quality" of services provided, may be we have good local auditors, but the question why the big companies, banks and donor countries insist on auditing it's financial statements by the international audit firms only. As I said the only answer is the quality of services provided by auditors and their professional competence, it is related also to the quality control programs applied in the international audit firms and we don't see it in the local ones. This doesn't mean that we lack the professional competence, but it means on the other side that we don't have system or regulations – in the form of law – make the auditors commit to basic requirements like, training, exam, continuing professional education.....We can't also underestimate the ability of the international audit firms to apply in a proper way the international standards compared with the local auditors. Also there is a need to have the element of transparency in the projects funded by donor countries and this require to be audited by international audit firms. We need to enhance the level of local audit firms in our countries to make it reliable just like the international companies.

**Mohamad Arafat – Independent Auditor \ Nablus**

340 There is a need to support the local auditors and enhance their performance. In the publicly traded companies and the private companies, the Society should contact the ministry of finance and the ministry of trade to push them not to receive any financial statements not audited by independent auditors registered in the Society, some of the limited liability companies renew it's trade licenses without providing any kind of financial statement, I think the PSCPA should work to stop this to support the local auditors and to support the national economy by having reliable financial statements can be used by different categories of users, the related ministries have to cooperate with the Society in this regard. Unfortunately, some of the publicly traded companies are submitting financial statements audited by non – licensed auditors and who are not registered also in the Society, the different bodies should work together to correct these practices. One last thing, I am asking our local auditors to think about merging the local office in bigger ones, this will help in developing these offices and in ability to audit financial statements for big companies.

**Salah Abu Wattfa – Chairman of the Exam Committee \ Gaza**

360 I want just to mention the announcement published by the Institute of General Control to all ministries not to accept any financial statements unless it is audited by a licensed auditor who is registered in the Society, I hope that we can develop this mechanism and apply it in all cases.

**Ghassan Soufan – Member of the PSCPA Board of Directors \ Ramallah**

I want also to add that the PSCPA Board of Directors talked to the Companies Controller in the Ministry of Trade and asked him not to accept any financial statements unless it is audited by an independent, licensed and registered auditor.

370 **Musa Abu Dieh – Independent Auditor \ Ramallah**

The question I want to ask here, what is the professional output of all the training activities? Are our auditors qualified to audit the banks financial statements for example? 90% of the licensed and registered auditors are unable to perform the audit of banks in a professional way and according to the standards, giving that banks are critical element of the economy of any country. I think that the PMA won't accept financial statements for bank audited by local auditors until it sees real development in the performance of those auditors and their Society. Accordingly we should invest the training activities and any other activities internally and externally to get the maximum possible benefit. The World Bank, Donor Countries, Big Companies, Banks look for auditors' reports with certain quality, this require applying properly the accounting standards. If our local auditor wants to audit banks, foreign donations and other he should set for sufficient training and education. This is also the case for those who want to audit publicly traded companies, since the audit of these companies includes specific responsibilities the auditor should be able to understand it and work according to it. If the local auditor could not convince the primary shareholder in the company and other groups of users that there is value added from his work, he won't be able to continue with these institutions.

390 **Rajai Al Qiasi – Chairman of the CPE Committee \ Hebron**

With regard to the training I would like to draw your attention to the fact that the training material was prepared using the most recent standards accepted internationally, and this is the same for the external activities were we selected the best professional bodies in this field.

**Odeh Jibreel – Chairman of the West Bank Board of Directors \ Ramallah**

400 Thank you very much, by this we end our 1<sup>st</sup> Open Meeting for the Palestinian Society for Certified Public Accountants. Our 2<sup>nd</sup> Open Meeting will be in Thursday 20/6/2002.

**United States Agency for International Development**  
**West Bank / Gaza Mission**  
**Accounting & Auditing Sector Program**  
**PSCPA Magazine – Second Edition – Index**  
**Q1 - 2002**

	<b>Article</b>	<b>Author</b>
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## **Terms of Engagement and the Importance of Engagement Letters based on ISA # 210**

The Palestinian Society for Certified Public Accountants (PSCPA) decided<sup>1</sup> in its Board of Directors meeting in the 9<sup>th</sup> of September 2001 to adapt the International Standards on Auditing and the Code of Ethics published by the International Federation of Accountants (IFAC).

This resolution stated that since the PSCPA submitted its application to get a membership in the International Federation of Accountants and based on the profession development in Palestine and what accompanied this development as translation for the Auditing Standards and the Code of Ethics with an approval from the International Federation of Accountants, the Board of Directors approves the adaptation of the International Standards on Auditing and the Code of Ethics published by the International Federation of Accountants in Palestine, and the Board is gathering all his efforts to make this decision applicable and used by all auditors in Palestine.

This resolution accompanied the work on translating and adapting the International Standards on Auditing, this process was supervised by the Accounting and Auditing Program Sector (AASP) funded by the United States Agency for International Development (USAID), the AASP worked with the Standards Setting Committee in the PSCPA over a year to have the International Standards on Auditing Book – the Applicable Copy in Palestine ready for use in October 2001, the Book included all the standards (ISA's) and the International Auditing Practice Statements (IAPS's) published by the International Audit Practice Committee (IAPC) in the IFAC till the end of December 2001.

The auditing training courses held by the AASP and in cooperation with the PSCPA before and after publishing this book gave the licensed auditors in the Society and other people who attended the sessions good illustration about the implementation of these standards, one of the "new"<sup>2</sup> items in this regard and which raised discussions in the different training areas is the "Engagement Letter" issue, accordingly we will discuss in more detail the importance and components of the engagement letters in the light of ISA # 210 "Terms of Audit Engagements".

<sup>1</sup> See the Auditor's Magazine, 4<sup>th</sup> Quarter 2001 Edition, International Standards on Auditing – A Step Toward Developing the Profession, attached to this article was a copy for this resolution signed by all the PSCPA Board of Directors members.

<sup>2</sup> New mainly for the local auditors who have their own local audit firms or work for other audit firms, but the employees of the representative offices of the International Audit Firms have fair knowledge about these standards and it's applications, some of those are members in the PSCPA and attended the mentioned training sessions.

In this regard the article will give an introduction about the Engagement Letters, the components of the letters, recurring audits, acceptance of a change in engagement and example of an audit engagement letter.

It is important to mention that the International Standards on Auditing are to be applied in the Audit of Financial Statements. ISAs are also to be applied, adapted as necessary, to the audit of other information and to related services.

ISAs contain the basic principles and essential procedures together with related guidance in the form of explanatory or other material. The basic principles and essential procedures are to be interpreted in the context of the explanatory and other material that provide guidance for their application.

To understand and apply the basic principles and essential procedures together with the related guidance, it is necessary to consider the whole text of the ISA including explanatory and other material contained in the ISA.

Similar to the application of other ISA's, an auditor may judge it is necessary to depart from the ISA # 210 "Terms of Audit Engagements" in order to more effectively achieve the objective of an audit. When such a situation arises, the auditor should be prepared to justify the departure.

ISAs including ISA # 210 need only be applied to material matters.

In the end of our discussion for this standard we will talk briefly about the Public Sector Perspective (PSP) issued by the Public Sector Committee of the International Federation of Accountants. This ISA is applicable in all material respects to the Public Sector.

## **Introduction**

The purpose of ISA # 210 "Terms of Audit Engagements" is to establish standards and provide guidance on:

- 1- Agreeing the terms of the engagement with the client, by which both the Palestinian Auditor and Client will document their understanding for the audit and it's conditions<sup>3</sup>, this will help in avoiding any future misunderstanding with regard to the relationship between the Auditor and Client and define the type and timing of obligations for each party.
- 2- The Auditor's response to a request by a client to change the terms of an engagement to a one that provides a lower level of assurance.

<sup>3</sup> This understanding should comply with the requirements of this standard, other applicable International Standards on Auditing, the requirements of the Code of Ethics, legal requirements as stated by the local law and the regulatory requirements established by the Palestinian professional bodies responsible for organizing the profession.

### **The Auditor and the Client should agree on the terms of the engagement.**

The agreed terms would need to be recorded in an audit engagement letter or other suitable form of contract. ISA # 210 "Terms of Audit Engagements" is intended to assist the Auditor in the preparation of engagement letters relating to audits of Financial Statements. The guidance is also applicable to related services. When other services such as tax, accounting or management advisory services are to be provided, separate letters may be appropriate.

There is no final law for the profession in Palestine, the draft one passed the first reading in the legislative council and waiting for the second one to be approved, this draft law in subject to many adjustments and amendments, in some countries the objective and scope of the an audit and the auditor's obligations are established by law<sup>4</sup>. Even in those situations the auditor may still find audit engagement letters informative for their clients.

### **Components of the Letters**

It is in the interest of both Client and Auditor that the Auditor sends an engagement letter, preferably before the commencement of the engagement, to help in avoiding the misunderstandings with respect to the engagement. The engagement letter documents and confirms the Auditor's acceptance of the appointment, the objective and scope of the audit, the extent of the auditor's responsibilities to the client and the forms of any reports.

#### ***Principal Contents***

The form and content of audit engagement letters may vary for each client, but they would generally include reference to:

- The objective of Audit Financial Statements; "Our Audit will be made with the objective of our expressing an opinion on the Financial Statements".
- Management's responsibility for the Financial Statements; "We remind you that the responsibility for the preparation of Financial Statements including adequate disclosure is that of the Management of the Company".
- The scope of the Audit, including reference to applicable legislation, regulations, or pronouncements of professional bodies to which the auditor adheres.; "We will conduct our Audit in accordance with the International Standards on Auditing (or refer to relevant national standards or practices)".

<sup>4</sup> Till now this is not the case for the Palestinian draft law, for more details see the Auditor's Magazine, 1<sup>st</sup> Quarter 2002, Draft – Practicing the Auditing Profession Act, Law Committee – PSCPA.

- The form of any Reports or other communication of results of the engagement; "In addition to our Report on the Financial Statements, we expect to provide you with a separate letter concerning any material weaknesses in accounting and internal control systems which come to our notice".
- The fact that because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatement may be remain undiscovered; "Because of the test nature and other inherent limitations of an Audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered".
- Unrestricted access to whatever records, documentation and other information requested in connection with the Audit; "We look forward to full cooperation with your staff and we trust that they will make available to us whatever records, documentation and other information requested in connection with our audit".

The Auditor may also wish to include in the letter:

- Arrangements regarding planning of the Audit; "Those standards require that we plan and perform the Audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement".
- Expectations of receiving from Management written confirmation concerning representations made in connection with the Audit; "As part of our audit process, we will request from Management written confirmation concerning the representations made to us in connection with the Audit".
- Request for the Client to confirm the terms of the engagement by acknowledging receipt of the engagement letter; "Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the Financial Statements".
- Description of any other letters or reports the auditor expects issue to the client.

When relevant, the following points could also be made:

- Arrangements concerning the involvement of other auditors and experts in some aspects of the audit, taking in consideration the requirements of ISA # 600 "Using the Work of Another Auditor" and ISA # 620 "Using the Work of an Expert".
- Arrangements concerning the involvement of Internal Auditors and other Client Staff, taking in consideration ISA # 610 "Considering the Work of Internal Auditing".
- Arrangements to be made with the predecessor auditor, if any, in the case of initial audit, considering the requirements of the Code of Ethics as stated by IFAC with regard to the communication between auditors, Part B – Applicable to Professional Accountants in Public Practice, Relations with Other Professional Accountants in Public Practice, from 12.1 to 12.10<sup>5</sup>.
- Any restriction of the auditor's ability when such possibility exists.
- A reference to any further agreements between the Auditor and the Client.

### ***Audit of the Components***

When the auditor of a parent entity is also the auditor of its subsidiary, a branch or division (component), the factors that influence the decision whether to send a separate engagement letter to the component include:

- Who appoints the auditor of the component.
- Whether a separate audit report is to be issued on the component.
- Legal requirements.
- The extent of any work performed by other auditors.
- Degree of ownership by parent.
- Degree of independence of the component's management.

### **Recurring Audits**

**On recurring audits, the Auditor should consider whether circumstances require the terms of the engagement to be revised and whether there is a need to remind the client of the existing terms of the engagement.**

<sup>5</sup> See the Auditor's Magazine, the adapted copy of the Code of Ethics for Professional Accountants, Quarter 1, 2002.

The Auditor may decide not to send a new engagement letter each period. However, the following factors may make it appropriate to send a new letter:

- Any indication that the Client misunderstands the objective and scope of the Audit.
- Any revised or special terms of the engagement.
- A recent change of senior management, board of directors or ownership.
- A significant change in nature or size of the Client's business.
- Legal requirements.

### **Acceptance of a Change in Engagement**

**An Auditor who, before the completion of the engagement, is requested to change the engagement to one which provides a lower level of assurance, should consider the appropriateness of doing so.** A request from the Client for the Auditor to change the engagement may result from a change in circumstances affecting the need for the service, a misunderstanding as to the nature of an Audit or related service originally requested or a restriction on the scope of the engagement, whether imposed by management or caused by circumstances. The Auditor would consider carefully the reason given for the request, particularly the implications of a restriction on the scope of the engagement.

A change in circumstances that affects the entity's requirements or a misunderstanding concerning the nature of service originally requested would ordinarily be considered a reasonable basis for requesting a change in the engagement. In contrast a change would be considered reasonable if it appeared that the change relates to information that is incorrect, incomplete or otherwise unsatisfactory.

Before agreeing to change an audit engagement to a related service, and Auditor who was engaged to perform an Audit in accordance with International Standards on Auditing would consider, in addition to the above matters, any legal or contractual implications of the change.

If the Auditor concludes, that there is reasonable justification to change the engagement and if the audit work performed complies with the International Standards on Auditing applicable to the changed engagement, the report issued would be that appropriate for the revised terms of engagement. In order to avoid confusing the reader, the report would not include reference to:

- 1- The original engagement; or
- 2- Any procedures that may have been performed in the original engagement, except where the engagement is changed to an engagement

to undertake agreed-upon procedures and thus reference to the procedures performed is a normal part of the report.

**When the terms of the engagement are changed, the Auditor and the Client should agree on the new terms.**

**The Auditor should not agree to a change of engagement where there is no reasonable justification for doing so.** An example might be an audit engagement where the Auditor is unable to obtain sufficient appropriate audit evidence regarding receivables and the client asks for the engagement to be changed to a review engagement to avoid qualified audit opinion or a disclaimer of opinion.

**If the Auditor is unable to agree to a change of the engagement and is not permitted to continue the original engagement, the Auditor should withdraw and consider whether there is any obligation, either contractual or otherwise, to report to other parties, such as the board of directors or shareholders, the circumstances necessitating the withdrawal.**

**Public Sector Prospective**

The purpose of the engagement letter is to inform the auditee of the nature of the engagement and to clarify the responsibilities of the parties involved. The legislation and the regulations governing the operations of public sector audits generally mandate the appointment of a public sector auditor and the use of audit engagement letters may not be a widespread practice. Nevertheless, a letter setting out the nature of the engagement or recognizing an engagement not indicated in the legislative mandate may be useful to both parties. Public sector Auditors have to give serious consideration to issuing audit engagements letters when undertaking an audit.

The "Acceptance of a Change in the Engagement" part of this standard deals with the action a private sector Auditor may take when there are attempts to change an audit engagement to one which provides a lower level of assurance. In the public sector specific requirements may exist within the legislation governing the audit mandate; for example, the Auditor may be required to report directly to a minister, the legislature or the public if management (including the department head) attempts to limit the scope of the Audit.

**Example of An Audit Engagement Letter**

The following letter is for use as a guide in conjunction with the considerations outlined in this ISA and will need to be varied according to individual requirements and circumstances:

To the Board of Directors or to the appropriate representative of senior management:

You have requested that we audit the balance sheet of ..... as of ..... and the related statements of income and cash flows for the year then ending. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be made with the objective of expressing an opinion on the financial statement.

We will conduct our audit in accordance with International Standards on Auditing (or refer to relevant national standards or practices). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatement may remain undiscovered. In addition to our report on the financial statements, we expect to provide you with a separate letter concerning any material weaknesses in accounting and internal control systems which come to our notice.

We remind you that the responsibility of the preparation of financial statements including adequate disclosures is that of the management of the company. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the company. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit. We look forward to full cooperation with your staff and we trust that they will make available to us whatever records, documentation and other information are requested in connection with our audit. Our fees which will be billed as a work in progress, are based on the time required by the individuals assigned to the engagement plus out-of-pocket expenses. Individual hourly rates vary to the degree of responsibility involved and the experience and skill required.

This letter will be effective for future years unless it is terminated, amended or superseded.

Please sign and return the attached copy of this letter to indicate that in accordance with your understanding of the agreements for our audit of the financial statements.

XYZ & Co.

Acknowledged on behalf of  
ABC Company by

(signed)  
.....  
Name and Title  
Date

## PSCPA News

### International Accounting Standards Committee

The Palestinian Society for Certified Public Accountants became a member of the Arabic Committee responsible for translating the International Accounting Standards in the world. This was after the visit done by the Chairman of the PSCPA Mr. Mohamad Jaradeh, Mr. Salah Abu Wattfa and Mr. Musa Abu Dieh to the Accounting and Auditing Institute for Islamic Financial Institutions in Bahrain, the group met the members of the Committee authorized to obtain the Arabic copy of the International Accounting Standards as follow:

- 1- Mr. Refa'at Abdel Kariem, the Chairman of the Accounting and Auditing Institute for Islamic Financial Institutions.
- 2- Mr. Ilham Hasan, PriceWaterhouseCoopers, Bahrain.
- 3- Mr. Yousef Taqi, Ernst & Young, Bahrain.
- 4- Mr. Shar'ah Ibrahiem, the Accounting and Auditing Institute for Islamic Financial Institutions.

All the members of the Committee shown their immediate acceptance to join Palestine represented in the PSCPA in the work of the Committee. It is important to mention that the Bahraini Committee finished the translation of many of the International Accounting Standards, the Palestinian group visit started in the 6<sup>th</sup> of January 2002.

On the 9<sup>th</sup> of the same month the group went to the United Arab Emirates, where they visited the Emirate Association for Accountants and Auditors, they met their the Chairman of the Association Mr. Ahmad Jasem Al Abdouli and the members of the Association's Board of Directors and some of the members of the Association, the meeting discussed the profession's issues in the Arab world and the possibilities of cooperation between the Palestinian Society for Certified Public Accountants and the Emirate Association of Accountants and Auditors.

### International Standards on Auditing Book – Egypt

At the end of December 2001, a group from the PSCPA and the Accounting and Auditing Sector Program (AASP) funded by the United States Agency for International Development visited Egypt to distribute the International Auditing Standards Book – Palestinian Adaptation which was translated and adapted in cooperation between the Standards Setting Committee in the PSCPA and the AASPUAID as follow:

#### • **Cairo University**

The group met the Dean of the Commerce Faculty in the University and some of the Accounting and Auditing instructors in the University, the group submitted number of copies of the book to the Dean who expressed his interest in this book and appreciated the efforts invested by the Project and the PSCPA. He promised to make these copies available in the University Library and the Faculty in order to be used by the most possible number of interested people.

#### • **Al Azhar University**

The group met the Dean of the Commerce Faculty and submitted number of copies of the Palestinian adaptation of the International Standards on Auditing book.

#### • **Ein Shams University**

The group met the Dean of the Commerce Faculty and his assistant and gave them copies of the same book.

The group used its presence in Cairo and visited Dr. Abdel Aziz Hijazi the Chairman of the General Union for Arab Accountants and Auditors and gave him copies of the International Standards on Auditing book, Dr. Hijazi expressed his happiness to receive such a book, the group discussed with Dr. Hijazi the status of the Union and the Beirut Conference about "Updating the General Budget for the Country and the Government Accounts" which will be held in October 2002.

### Exam Committee

Members of the Exam Committee Mr. Salah Abu Wattfa and Mr. Hanna Quffa in addition to the Chairman of the PSCPA Mr. Jaradeh did the following trip:

- The group visited Mr. Hazem Hasan the Chairman of the Egyptian Association for Accountants and provided him with copies of the International Standards on Auditing book. Mr. Hasan gave the group a presentation about the procedures and mechanism of holding the exam in Egypt, he also provided the group with copies of the training materials used and samples of the exam.
- The group visited in 19\3\02 Jordan and met Dr. Abed Al Kharabsheh the Chairman of the Accounting Institute in Jordan and the Head of the Licensing Committee, the group provided Mr. Kharabsheh with copies of the International Standards on Auditing book and also copies of the Arabic translation of the CPA Guide for Professional Ethics. Mr. Kharabsheh gave the group an idea about all what is related to the licensing procedures in Jordan including the exam item.
- In 21\3\02, the group visited Tunisia and met Dr. Saleh Al Thuhaibi the Chairman of the Tunisian Institute for the Accounting Experts, Dr. Ahmad Bala'ifa the Chairman of the Tunisian Association for the Accounting Experts and Dr. Samir Gizwani the Director of Manuba University and the Chairman of the Tunisian Exam Committee, the group obtained an understanding and samples of the materials related to the exam mechanism in Tunisia.

### Securitisation & Capital Market

The PSCPA received an invitation to attend a conference about "Securitisation and Capital Market: Challenges and Opportunities for Islamic Financial Institutions" held in Beirut between 12<sup>th</sup> & 13<sup>th</sup> of March, 2002, the PSCPA participated in this conference in which they met Dr. Ref'at Ibrahiem Dr. Abdel Aziz Hijazi and Mr. Talal Abu Ghazaleh.

# المحاسب الفلسطيني



العدد الثالث عشر - يونيو ٢٠٠٢

مجلة غير دورية تصدر عن جمعية المحاسبين والمراجعين الفلسطينية

قراءة في معايير التدقيق الدولية  
إقرارات الإدارة (كتاب التمثيل)

واقع وآفاق مهنة المحاسبة والمراجعة في فلسطين

التقرير الإداري والمالي  
خلال الفترة المحاسبية

مكونات الرقابة الداخلية

المعنى القانوني - المحاسبي

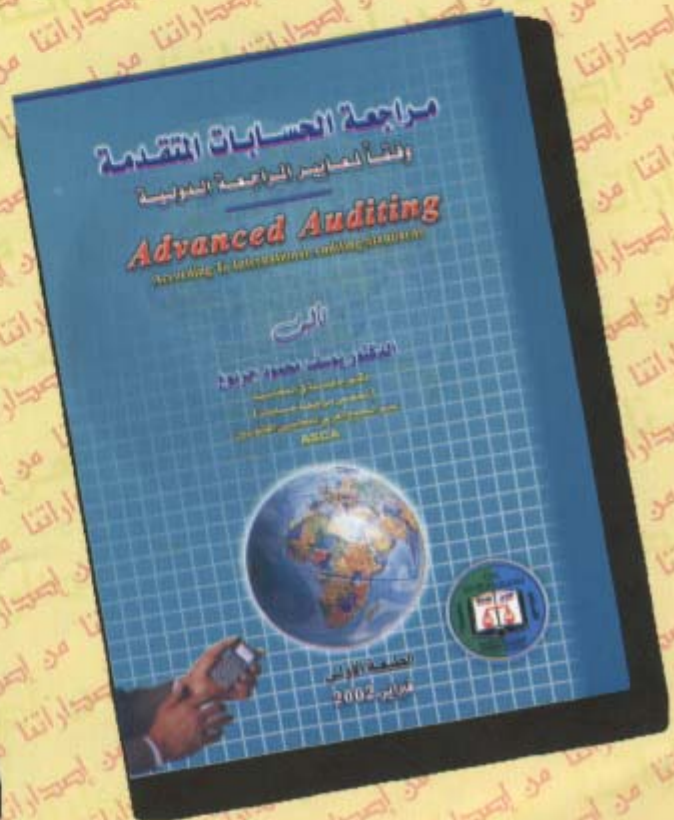
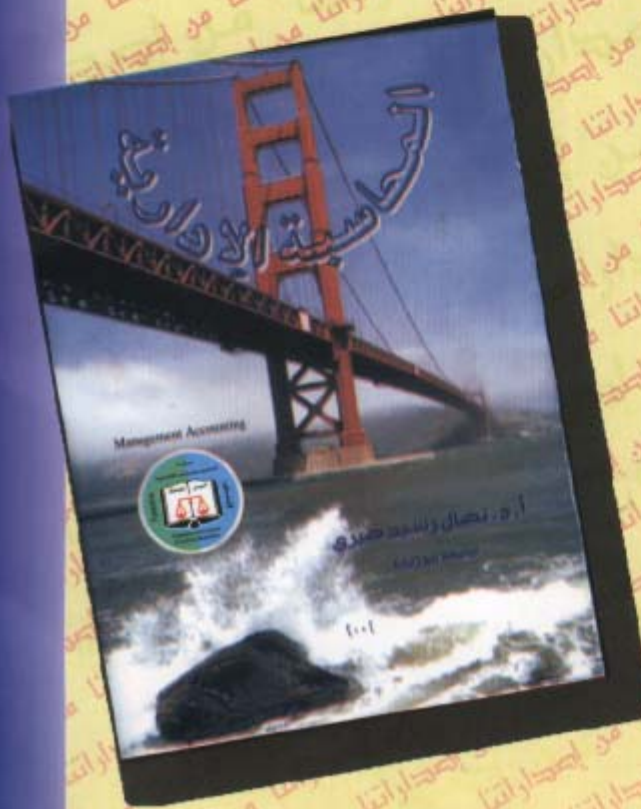
في تصفية شركات الأشخاص والاموال

التدريب

وآثاره على تطوير المهنة



## من إصداراتنا



**United States Agency for International Development**

West Bank / Gaza Mission  
Accounting and Auditing Sector Program  
PAAA Magazine – Thirteenth Edition – Index

**Q2 – 2002**

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**Translated**

**Translated**

## Contents of Internal Control

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Before specifying Internal Control Contents we will go into the importance and definition of Internal Control.

### Importance of Internal Control.

For a long time Internal Control has got a great interest from auditors and economic institutions' managements for the following reasons:

1. Complexity and ramifying of business fields lead the management to depend on reports and analysis in order to consolidate control on the operations
2. Inherent examination of the internal control decrease human pressure risks and the probability of mistakes and fraud.
3. It is impossible that the auditor can make auditing inside the institution without depending on the customer internal control.

This concern increased and the evidence on this is that in USA and British man laws and standards were legislated to define the responsibility of the internal auditor toward estimating the internal control for the sake of auditing planning and designing programs that enables the auditor to decrease auditing risks and to offer proper professional opinion.

The internal auditor has a special concern to adjust the institution's internal control in order to decrease auditing risks and to implement auditing with the needed efficiency. The auditor in adjusting the internal control depends on his professional opinion.

In order to ensure the validity of auditing program that enables the auditor to give right professional opinion on the institution financial statements, this means that the auditor must pay attention for the qualities specialties for evidences that he has while adjusting internal control to define control risks and then designing the detailed exams that enable him to have additional proves and evidences to offer professional opinion on the financial statements.

The external auditor has a legal and professional responsibility that oblige him to practice the needed professional concern for

auditing to express professional opinion on the financial statements in a way that clarify points of weakness to the board of directors auditing committee and the internal control parties.

### Definition of Internal Control

According to the American standard (**SAS 78**) the Internal Control is defined as

**" An operation implemented by the board of directors, the institution's management and other employees, this operation is designed to manage the following objectives:**

1. *Financial statements accuracy.*
2. *Adherence to laws and suitable schedules.*
3. *Efficiency and capability of transactions."*

But according to the **British standard 300** and the **ISA 400** both of them used the same definition **"The Internal Control consists of control environment and control procedures including all the policies that are authorized board of directors and the company management that assist in managing their objective of realizing the efficiency of the work including commitment to the obligation of protecting assets, preventing and decreasing financial mistakes, accuracy of the accounting records, preparing financial statements"**

From this definition we can summarize the following:

1. The Internal Control is a process performed by human factor on all the institution's stages.
2. Concentration on providing "Reasonable Confirmation" and not "Absolute Confirmation" due to the timidity of Internal Control.
3. The main addressing of Internal Control is the efficient help in managing the goals related to the confidence in the financial statements, beside commitment to laws and efficiency of the operations.
4. The internal Control includes many matters more than the direct related matters to the accounting system and financial

reports. This by its role lays responsibility on the auditor to define the suitable parts of financial statements auditing.

### **Contents of Internal Control:**

To define internal control frame in order to manage the institution's objectives, the American standard 78 define the following five contents of internal control:

1. *Control Environment*
2. *Risk Assessment.*
3. *Information and Communication.*
4. *Control Activities.*
5. *Monitoring.*

The **British standard 300** and the ISA 400 agreed on that the internal control contents are *Control Environment and Control Procedures*. This shows that the American Standard is more inclusive

Below is a summary for internal control contents as they are mentioned in the three standards

#### **I. Control Environment**

The American standard 78 shows that control environment presents the basis of internal control in the institution, and it affect he employees control consciousness, beside I is the basic for all internal control contents that provide discipline and general frame.

There are a lot of factors for control environment mentioned in the American standard 78:

Honesty and moral values.

Efficiency commitment .

Participation of board of directors and auditing committee in the responsibility.

Management philosophy and its way in performing the work

Educational Structure.

Distribution of authority and responsibilities.

Policies and practices special for human resources.

The British standard 300 and the International Accounting Standard 400 show that control environment is presented in the awareness and behavior of board of directors and the institution's management toward the importance of internal control, also it includes the management system, the institution's culture and the shared values between the employees.

#### **II. Risk Assessment**

According to the American standard 78 risks assessment for the sake of financial reports means the institution defining, analyzing and managing for the related risks in preparing a fair financial statements according to known accounting principles, The external auditor and the institution management have the same concern for the relation of the risks related to define confirmation in the financial statements in relation to registering and summarizing the financial statements. The management's goal in this matter is to define risks, but the auditor's goal is to estimate the probability of errors in the financial reports.

It is clear that the American standard 78 broadened the management responsibility of the financial statements so tat it makes risks assessment as one of internal control major contents.

#### **III. Information and Communication**

According to the American standard 78 the appropriate information system aims to add trust to the financial records that includes the basic system. It consists of record to define, analyses and categorize the institution's dealings along with keening the related assets and commitments.

Communication includes providing clear understanding for roles and responsibilities relater to internal control on the financial statements. Also policies guide, financial reports guide and accounting guide are contents of communication and information. This means that the main concentration of accounting system is on the financial dealings from the following points:

Exultancy

Rights and commitments

Integration.

Assessment

Presentationa and disclosure.

Also the accounting system must include Complete Audit Trail in a shape of documentation and exchange references that connect the accountants with original statement dealings.

#### **IV. Control Activities**

According to the American standard 78 control activities includes policies and procedures that helped in the confirmation that the management instructions have been implemented. Also the American standard 78 showed that the control activities related to the financial statements auditing could be categorized in many ways

Classifying information control that includes general controls and information controls.

Records and documents.

Separation between rights and duties elated to authorizing dealings and records keeping.

Mechanic controls.

Performance assessment and examination.

But the British standard 300 and International Accounting Standard 400 add to the above points the following:

Realizing accounting records accuracy .

Comparing inventory results with accounting results.

Trial Balances

Comparing internal information with external information resources.

#### **Limitation of Internal Control**

As mentioned before the control provides "reasonable confirmation" not "absolute confirmation" for the management and board of directors that the institution objectives will be managed. The cause for this includes limitation in internal control like:

Judgment errors

Breakdown

Management override

#### **V. Monitoring**

Monitoring is an operation to estimate internal control quality and it includes estimation done by suitable employees to design and implement internal control

# **United States Agency for International Development**

**West Bank / Gaza Mission**

Accounting and Auditing Sector Program

Quarterly Report

Q 2 – 2002

## **★ Other Activities**

### **● Media**

- Media Matrix
- Newspaper Articles Translation

United States Agency for International Development  
Accounting and Auditing Sector Program  
**Media Activity**  
**Q2-2002**

	Appearing in / on	Date	Subject	
1	Al Quds	12/5/02	Code of Ethics Training	Newspaper
2	Al Hayyat	12/5/02	A&ASP organizes a training course on Code of Ethics for the Professional Accountants	Newspaper
3	Al Quds	17/5/02	1 <sup>st</sup> Public Meeting of PSCPA	Newspaper
4	Al Hayyat	17/5/02	1 <sup>st</sup> Public Meeting of PSCPA	Newspaper
5	Amwwaj	17/5/02	Ghassan Soufan – Board member in PSCPA in Talk show “Amwwaj Al Sabaah” He talked about 1 <sup>st</sup> Public Meeting of PSCPA	Private Radio Station
6	Al Hayyat	21/5/02	5 <sup>th</sup> Public Meeting of PAAA	Newspaper
7	Al Hayyat	29/5/02	Issuing Al Mudaqaq Magazine-PSCPA	Newspaper
8	Al Hayyat	17/6/02	Publication of the IVS Book	Newspaper
9	Al Ayyam	17/6/02	Publication of the IVS Book	Newspaper
10	Al Hayyat	18/6/02	6 <sup>th</sup> Public Meeting of PAAA	Newspaper
11	Amwwaj	19/6/02	Firas Zaghal – Technical Manger in A&ASP in Talk show “Amwwaj Al Sabaah” – Study tour	Private Radio Station



#### Amwwaj

It is the largest Private Radio Station in Palestine. The main office is in Ramallah and now its working as a combination with The Call of Palestine “The governmental Radio Station” FM 91.5 MHz

#### Al Quds

It is the Largest Daily local Newspaper that is issued in Jerusalem and distributed to the Arab world and has the largest amount of readers in both the Newspaper and the Web Site on the Internet.

#### Al Ayyam

Is the Second newspaper after Al Quds and considered new one but accomplished a lot within a short period of time and distributed from Ramallah to all the cities in Palestine and has a Web on the Internet.

#### Al Hayyat

It is considered as the Youth News paper that talks most about the development of the youth and the economics and can also be considered as a Governmental Newspaper.



### Training Course on the Code of Ethics

Ramallah – Khaled AIFaqeeh – The A&ASP, and in cooperation with the PSCPA, announces the start of a training course on the Code of Ethics which is based on the "CPA's Guide to Professional Ethics". This book was translated at the end of year 2001.

The A&ASP said that this guide was chosen in particular because the international are more modern & newer than the American standards and for the great similarity between the American standards and the international standards. This course consists of four sessions that aim at assisting both in public practice & not in public practice to understand and implement the guidance on ethics. It will be held in Nablus, Ramallah, Hebron and Gaza with the participation of the PSCPA's members and representatives of the big audit firms.

### البدء بدورات حول القواعد الاخلاقية للمحاسبين

رام الله - خالد الفقيه - اعلن قطاع المحاسبة والتدقيق بالتعاون مع جمعية مدققي الحسابات القانونيين الفلسطينيين عن دورات حول القواعد الاخلاقية للمحاسبين المهنيين بالاستناد الى كتاب دليل المحاسب المهني للقواعد الاخلاقية التي جرت ترجمته نهاية العام الماضي.

واكد قطاع المحاسب ان اختيار هذا الكتاب المستند للمعايير الامريكية بسبب حداثة المعايير الدولية مقارنة مع عمر المعايير الامريكية وللتشابه الكبير بين المعايير الامريكية والدولية وستعقد الدورة على اربع جلسات من اجل مساعدة المحاسبين المزاولين وغير المزاولين للمهنة فهم وتطبيق الارشادات للاحكامات المهنية. وسيتم عقد الدورة في نابلس ورام الله والخليل وقطاع غزة وبمشاركة مجموعة كبيرة من اعضاء جمعية مدققي الحسابات الفلسطينية وممثلي شركات التدقيق الكبرى.

# الحياة الاقتصادية

A&ASP organizes a training course on the  
Code Of Ethics for the Professional Accountants

In cooperation with the PSCPA, the A&ASP is organizing a training course in ethics based on the CPA's Guide to Professional Ethics, the book which was translated and published by the Program at the end of year 2001.

The thirty seven chapters in the book are covering the various requirements of the Code of Professional Conduct issued by the IMA, Independence Standards Board, The SEC, Dept. of Labor, the state societies and state boards. This guide also contains info on ethical standard for consulting & tax services, and provides a clear analysis of international ethics requirements. The book gives guidance on how a CPA should respond to an ethics investigation and an overview of the joint Ethics Enforcement Process & steps taken if a person is subjected to a disciplinary action.

This guide was chosen for the training for two reasons: the lack of resources covering the international standards and 2<sup>nd</sup> the great similarity between the American standards and the international standards, (the international are more modern & newer than the American standards).

The aim of training (4 sessions) is to assist both in public practice & not in public practice to understand and implement the guidance on ethics. The material is given and presented to the participants in a simplified and detailed manner by using the PowerPoint slides. All the examples and graphics will illustrate difficult ethics issues that CPAs and their firms might encounter.

It is worth mentioning that the PSCPA members and representatives of the big audit firms are attending this course in four cities Ramallah, Hebron, Nablus and Gaza.

# الحياة الاقتصادية

## قطاع المحاسبة ينفذ دورة تدريبية حول القواعد الأخلاقية للمحاسبين المهنيين

رام الله - الحياة الاقتصادية - ينفذ قطاع المحاسبة والتدقيق بالشعاع مع جمعية مدققي الحسابات القانونيين الفلسطينيين دورات تدريبية حول القواعد الأخلاقية للمحاسبين المهنيين مستنداً على كتاب «دليل المحاسب المهني للقواعد الأخلاقية» الذي صدر أول مرة للعام الماضي. وأشارت جمعية مدققي الحسابات في بيان صحفي أمس إلى أن هذا الدليل يحتوي على سبعة وثلاثين وحدة تتعرض إلى للطلبات العديدة لقواعد السلوك المهني الصادرة عن المعهد الأميركي للمحاسبين القانونيين، مؤسسة الأوراق للأكاديمية، مجلس معايير الاستقلالية، مكتب العمل وجمعيات ومجالس المحاسبة في الولايات المتحدة كما ويحتوي هذا الكتاب أيضاً على معلومات تتعلق بمعايير الخلق المهنية للاستشارات والخدمات الضريبية كما يقدم تحليلاً مختصراً وواضحاً حول متطلبات القواعد الأخلاقية الدولية. كما يقدم الكتاب إرشادات قيمة حول كيفية تصرف المحاسب المهني للرد على تحقيق لخطأ بالاضافة إلى تقديم نظرة عامة حول عملية التطبيق للشرعة في الإخفايات المهنية والخطوات التي يجب اتخاذها في حالة التعرض لعملية تضليل. لقد تم لشباب هذا الكتاب تحديداً والمستند على المعايير الأميركية لسميعة الأول لغة المصادر للتوفيرة والمستندة على المعايير الدولية وذلك لحالة المعايير الدولية مطابقة مع عمر المعايير الأميركية والدولي وهو الشباب الكبير بين المعايير الدولية والأميركية. وأوضح البيان أن الهدف من هذه الدورة التي تتكون من أربع جلسات هو مساعدة كل من المحاسبين المهنيين للأزولين للمهنة وغير الأزولين لها لفهم وتطبيق الإرشادات الأخلاقيات المهنية، لأبتم تقديم المادة وشرحها بشكل مفصل وميسر باستخدام الـ PowerPoint slides، كما سيتم مناقشة حالات وقضايا أخلاقية شائعة قد يتعرض لها المحاسب أو شركته. ونوه البيان إلى أن مجموعة من أعضاء جمعية مدققي الحسابات الفلسطينيين وممثلي شركات التدقيق الكبرى يشاركون في هذه الدورة التي ستعقد في تطوير ادلهم في كل من رام الله، نابلس والقيل وغزة.

17/5/2002

AL HAYYAT NEWSPAPER

# الحياة الاقتصادية

## The PSCPA Held its 1<sup>st</sup> Public Meeting in Ramallah, Hebron, Nablus and Gaza

Ramallah- Al Hayyat Al Jadidah- The PSCPA held its 1<sup>st</sup> public meeting yesterday in Ramallah, Gaza, Nablus and Hebron in order to create contact and communication between the PSCPA board and its members and between the society and the concerned from the universities and private and governmental sectors.

Mr. Odeh Jibreel, Vice President of the board, welcomed the attendees and the society members insisting on the importance of holding such meetings that reinforce the relationship between the accountants both in public practice and not in public practice and the society. This society who has been working since its foundation on setting programs and plans to improve the profession in Palestine and to keep the accountants and auditors familiarized with all the developments at the regional and international levels.

He affirmed that during the last two years the society has achieved a lot of its plans and one of its achievements was the adaptation process of the ISA and the Code of Ethics issued by the IFAC. This process is to oblige the members to apply the standards and the code that will lead to a progress and an advancement of the professional level of the auditors. He ended by emphasizing on the importance of the interaction between the society and the members whose comments and participation will enrich the society's activities.

Then Mr. Ghassan Soufan, a member, talked about the publications of the society: the ISA book is a result of the hard work of the ISA committee who adapted and translated these standards, and also the translation of the "CPA's Guide to Professional Ethics".

He added that the society has activated the publication committee that issued the 4th edition of the AUDITOR MAGAZINE and the 5<sup>th</sup> edition of the same magazine will be issued next week. This latest edition includes the first Arabic translation of ISA # 505 "External Confirmation" issued in 2000, and analytic reading of the ISA # 39 "Financial Instruments" in addition to the draft of the law profession. What makes this edition a distinct one is the reading of the "Accounting Principles" about accounting treatment for the errors and its corrections plus the article of the standard audit programs. It has covered certain important subject such as Tax Planning and VAT.

Mr. Rajai El Qessi, Head of the CPE Dept, gave a brief summary about the goals, programs and future plans of the department which always organizes training courses covering all the governorates. He announced that it will continue the sessions on the international standards and it will also arrange the first training course on the Ethics.

Mr. Saleh Abu Watta, treasurer, concluded by giving the attendees an idea about the activities of the Exam committee after their tour to Jordan and Tunisia in order to have a look at the exam at the exam form in these countries. The profession Law that will be endorsed by the legislative council states whoever applies for the license is to first pass an exam. Therefore, the Palestinian Exam committee has started preparing such an exam. They are getting the help of the societies in the neighboring Arab countries.

17/5/2002

AL HAYYAT NEWSPAPER

# الحياة الاقتصادية

## جمعية مدققي الحسابات القانونيين تعقد اجتماعها الدوري الاول في رام الله ونابلس والخليل

رام الله - عقدت جمعية مدققي الحسابات القانونيين الفلسطينيين اجتماعها الدوري الاول في ظل من رام الله، نابلس، والخليل أمس بهدف خلق حالة من التواصل ما بين الهيئة الإدارية للجمعية والإعضاء المنسجلين من ناحية، وما بين الجمعية وجنوب المهنيين من القطاع الخاص والقطاع الحكومي والجامعات.

ورحب عمدة جبريل رئيس مجلس الإدارة بأعضاء الجمعية والمضور، مؤكدا أهمية هذا اللقاء بين الجمعيات المهنية التي تعزز العلاقة بين المحاسبين القانونيين المزاكين وغير الزاكن مع الجمعية التي عملت وتعمل منذ تأسيسها على وضع البرامج والتقدم التي تهدف إلى رفع مستوى المهنة في فلسطين وسماعتها فوافقة التوصل مع التطورات الإدارية على الصعيد الإقليمي والدولي للمهنة.

وأكد أن الجمعية وخلال العام المنصرم، انخرت النظر من خططها وبرامجها ومن الإنجازات التي حققتها فهي مجلس الإدارة والهيئات الإدارية للجمعية معايير التدقيق الدولية وأداب وسلوكيات المهنة الصادرة عن الاتحاد الدولي للمحاسبين، وذلك بهدف وضع البرامج لدعم تطبيق وإزام أعضاء الجمعية بالمعايير والإجراءات لضمان تطور ونمو المستوى المهني وأدق المسببات لتكون متفائلة في الدول العربية والعالم، مؤكدا أهمية التعاون بين الجمعية والأعضاء الذين يتدخلون في عملهم وعملهم الدائم.

وتحدث غسان صوفان العضو في الجمعية عن إصدارات الجمعية التي تتناول مختلف الجوانب المهنية الدولية التي جاءت تتويجا لجهود لجنة المعايير التي عملت على مواصلة التعاميم الدولية للتدقيق مع الواقع الفلسطيني وترجمتها وإصدارها في هذا الكتاب، كما لفت لدرجة كتاب دليل المحاسب المهني للقواعد الأخلاقية.

وقال صوفان إن الجمعية قامت بتفعيل لجنة التطويرات التي عملت على إصدار العدد الرابع من مجلة التدقيق والتي سيطرحون بإصدار عددها الخامس خلال الأسبوع القادم، وهذا العدد الجديد يحتوي على النسخة العربية الأولى لكتاب التدقيق الدولي رقم ٢٠٥ بالمصادقات الخارجية، الذي تم إصداره عام ٢٠٠١، وقال على فريد أن الجمعية لديها المساهمة الدولية رقم ٣٩ - الإذونات المالية، الاعتراف والمقاييس، بالإضافة إلى مسودة مشروع قانون مزاكنة المهنة في فلسطين، وما ميز هذا العدد نشر مواضيع تتعلق بالأمور التنفيذية في عمل التدقيق، وتناول ذلك بفرع من كتاب اصول المحاسبة للمعاهدات المحاسبية كالمطبخ، وقال فريد أن ثلاثة من برامج التدقيق المتواجدة ومن ناحية أخرى أعطى هذا العدد اهتماما خاصا بالتوضيح الترميمية على الشكليات الترميمية وغيرها من الناحية الخاصة.

17/5/2002

AL QUDS NEWSPAPER



17/5/2002

AL QUDS NEWSPAPER



### The PSCPA Held its 1<sup>st</sup> Public Meeting

The PSCPA held its 1<sup>st</sup> public meeting yesterday in Ramallah, Gaza, Nablus and Hebron in order to create contact and communication between the PSCPA board and its members and between the society and the concerned from the universities and private and governmental sectors.

Mr. Odeh Jibreel, Vice President of the board, welcomed the attendees and the society members insisting on the importance of holding such meetings which reinforce the relationship between the accountants both in public practice and not in public practice and the society. He affirmed that during the last two years the society has achieved a lot of its goals and plans and of course this would not have been achieved without the continuous work of its different committees.

### جمعية مدققي الحسابات القانونيين تعقد اجتماعها الدوري الاول

رام الله - عقدت امس جمعية مدققي الحسابات القانونيين الفلسطينية اجتماعها الدوري الاول في كل من رام الله، غزة، نابلس والخليل، بهدف ايجاد حالة من التواصل ما بين الهيئة الادارية للجمعية والاعضاء المسجلين من ناحية وجمهور المهتمين من القطاعين الخاص والحكومي والجامعات من جهة اخرى.

ورحب عودة جبريل نائب رئيس مجلس الادارة باعضاء الجمعية والحضور واكد اهمية عقد مثل هذه الاجتماعات الدورية التي تعزز العلاقة بين المحاسبين القانونيين المزاولين للمهنة وغير المزاولين. واكد ان الجمعية وخلال العام المنصرم انجزت الكثير من خططها وبرامجها التي ما كانت لتنجح لولا العمل الدؤوب للجانها المختلفة.

# الحياة الاقتصادية

Discussed certain controversial issues about the advancement of the Profession  
The PAAA Holds its 5<sup>th</sup> Public Meeting

Al Bireh - The PAAA held its 5<sup>th</sup> public meeting yesterday in Gaza, Ramallah, Nablus, Hebron and Jenin. During the meeting, certain controversial issues concerning the advancement of the profession in Palestine have been brought up.

Mr. Majed Al Bayed, in a his word, said that due to the rapid fast economic changes taking place, the market participants have recognized the importance of professional property valuations. In addition, the quickening pace in the globalization of investment has made the need for internationally accepted standards for reporting the value of property so urgent. Without the IVS, there is a great possibility for confusion. He added that the association has submitted a membership application to the IVSC. The technical committees in the association are reviewing the Arabic translation of the IVS book issued by the IVSC in order to be adopted by the board.

The PAAA supported the publication of "Management Accounting" authored by Dr. Nidal Sabri, BirZeit University, who explained in the meeting that the book is considered to be so important for it goes along with the rapid economic and technological development. He clarified the book was written according to the modern approaches of the Management Accounting.

This book has depended on the requirements of the profession of the management accountant specified by the international organizations such as IFAC and UNCTAD.

As for the adoption of the Code of Ethics issued by the IFAC, Mr. Maher Abu Shabaan, member in the Ethics committee, said the association has finished the review process of this Code and it recommended the board to adopt it and publish the Code of ethics issued by the IFAC. All these ethical rules will be published soon especially that the association has been already given the copyright permission.

Then, Mr. Fayez Al Qudwah, Head of the Legal Committee, talked about the new profession law and its importance on improving the progress of the Profession. The law will help in organizing the profession according to the international standards. He added that the only part whose responsibility is to supervise the Law is the PAAA. He called the different committees in the Legislative Council to be neutral and objective while setting the Law and to take into consideration the draft submitted by the Association.

# الحياة الاقتصادية

## ناقشت خلال لقاء جماهيري تتعلق بتطوير المهنة جمعية المحاسبين والمراجعين تعقد اجتماعها الدوري الخامس

أجريت في الساعة الثامنة مساءً في قاعة الاجتماعات ببيت المقدس اجتماع الجمعية العامة للجمعية الفلسطينية للمحاسبين والمراجعين (PAAA) في دورتها الخامسة. حضر الاجتماع ممثلون من كافة محافظات الضفة الغربية وقطاع غزة، بالإضافة إلى عدد من المهنيين المحاسبين والمراجعين. ألقى السيد ماجد البعيد، رئيس الجمعية، كلمة ترحيبية أكد فيها على أهمية هذا الاجتماع في تعزيز العمل المهني وتطويره. ثم أقر الاجتماع عددًا من القرارات الهامة، منها: الموافقة على التوصية بالانضمام إلى الاتحاد الدولي للمحاسبين (IFAC)، ومناقشة مشروع القانون الخاص بالمهنة، ومراجعة النظام الأساسي للجمعية. كما تم اختيار السيد فاضل عسري رئيسًا للجمعية للعام المقبل. اختتم الاجتماع بعدة فقرات فنية وأدبية.

# الحياة الاقتصادية

# الحياة الاقتصادية

## The PAAA Issues " International Valuation Standards 2001" Book in Arabic

Al Bireh – Al Hayyat Al Jadida – In Cooperation with the Accounting & Auditing Sector Program, the PAAA has recently issued " International Valuation Standards 2001" after obtaining a copyright permission from the IVSC to translate it into Arabic.

This book is one of the most important publications of the PAAA for this year especially that it is the first in the Arab World that presents in details the IVS. Those standards are becoming more essential day after day and the need to them is increasing in different areas such as accounting, auditing, management accounting, internal auditing, management and banking.

The book was translated by a team of professional Palestinians and reviewed by the standards committee in the PAAA which is made up of: Maher Abu Shabaan, Majad AlBayed, Emad Al Araj, Jamal Abu Qwak, Salem Sabah and Ayman Odeh. The association's goal behind this translation is to keep the employees in the field of the accounting & auditing field posted of the latest developments taking place in the world and to improve their professional performance as the scope of valuation practice becomes broader.

This book will help the professional property valuer to increase his or her qualifications, ability to estimate value – generally value of real property – for various purposes in the financial reporting. The book also presents valuable information to the auditor needed while auditing the fairness of the financial statements and the estimations provided by the management. As for the internal auditor, it will assist him or her in valuating the different kinds of property; land buildings, equipments for incorporation into the company financial statements.

The six hundred pages of the book contain two standards: the 1<sup>st</sup> is Market Value Basis of Valuation and the 2<sup>nd</sup> is Valuation Basis other than Market Value and the IVS applications. It has guidance notes & commentaries and explanation of the general valuation concepts and principles such as land & property concepts.

In addition to the ISBN, the use for the 1<sup>st</sup> time of the bar code makes it more distinct.

In cooperation with the A&ASP, the PAAA will hold a training course during this month based on the IVS book. Four hundreds trainees will participate in this course indifferent cities in Gaza and West Bank.

It is worth mentioning that the PAAA has previously submitted an application of membership to the IVSC.

# الحياة الاقتصادية

## جمعية المحاسبين تصدر كتاب معايير التقييم الدولية ٢٠٠١

البيرة - ١٧/٦/٢٠٠٢ - أصدرت جمعية المحاسبين والمراجعين الفلسطينيين بالتعاون مع برنامج قطاع الحاسبة والتدقيق مؤخرًا كتاب «معايير التقييم الدولية ٢٠٠١» الصادر عن لجنة معايير التقييم الدولية بعد الحصول على موافقة رسمية من اللجنة الدولية لترجمة ونشر هذا الكتاب. ويعتبر هذا الكتاب من أهم إصدارات الجمعية لهذا العام لأنه الإصدار الأول في الوطن العربي الذي يعرض بشكل تفصيلي معايير التقييم الدولية والتي تزداد أهميتها والحاجة إليها في المجالات المختلفة سواء في مجال الحاسبة المالية أو التدقيق، التدقيق الداخلي أو الإدارة والإفراض والمعدل للصيرفي.

ونمت مراجعة الترجمة العربية والتي قام بها أشخاص مهنيون على ترجمة عالية من النظرة والخبرة من قبل لجنة وضع المعايير في الجمعية والتي تتكون من كل من: ماهر أبو شحيد ومجد البايض وعماد الأراج وجمال أبو كوك وسالم صباح وأيمن عودة. وتهدف الجمعية من وراء ترجمة ونشر هذا الكتاب إلى اطلاع جميع المعنيين والعاملين في مجال الحاسبة والتدقيق على كل ما هو حديث في العالم لترفع مستوى الكفاءة المهنية والعملية لديهم خاصة أن نطاق ممارسة التقييم أخذت بالإنساع. لهذا الكتاب سيساعد معكم المتطلبات المهنية في زيادة خبرته ومعرفة تقدير القيمة - عادة قيمة الأصول غير المنقولة - لأغراض مختلفة في الإفراض المالي. كما أنه يقدم معلومات مفيدة وقيمة إلى مدقق الحسابات عند مراجعة مدى عدالة البيانات المالية وتقديرات إدارة الشركة. وأما بالنسبة للمدقق الداخلي فإنها تساعد في تقديم الأنواع المختلفة من الأصول والآلات والأرض والمباني عند القيام بالشراء أو البيع وذلك لخدمة إفراض الإدارة. وتضم الصفحات الستة عشرة لهذا الكتاب

17/6/2002

AL AYYAM



### The PAAA Issues "International Valuation Standards 2001" Book in Arabic

Al Bireh - Al Hayyat Al Jadida - In Cooperation with the Accounting & Auditing Sector Program, the PAAA has recently issued "International Valuation Standards 2001" after obtaining a copyright permission from the IVSC to translate it into Arabic.

This book is one of the most important publications of the PAAA for this year especially that it is the first in the Arab World that presents in details the IVS. Those standards are becoming more essential day after day and the need to them is increasing in different areas such as accounting, auditing, management accounting, internal auditing, management and banking.

The book was translated by a team of professional Palestinians and reviewed by the standards committee in the PAAA which is made up of: Maher Abu Shabaan, Majad AlBayed, Emad Al Araj, Jamal Abu Qwak, Saleem Sabah and Ayman Odeh. The association's goal behind this translation is to keep the employees in the field of the accounting & auditing field posted of the latest developments taking place in the world and to improve their professional performance as the scope of valuation practice becomes broader.

This book will help the professional property valuer to increase his or her qualifications, ability to estimate value - generally value of real property - for various purposes in the financial reporting. The book also presents valuable information to the auditor needed while auditing the fairness of the financial statements and the estimations provided by the management. As for the internal auditor, it will assist him or her in valuating the different kinds of property; land buildings, equipments for incorporation into the company financial statements.

The six hundred pages of the book contain two standards: the 1<sup>st</sup> is Market Value Basis of Valuation and the 2<sup>nd</sup> is Valuation Basis other than Market Value and the IVS applications. It has guidance notes & commentaries and explanation of the general valuation concepts and principles such as land & property concepts.

In addition to the ISBN, the use for the 1<sup>st</sup> time of the bar code makes it more distinct.

In cooperation with the A&ASP, the PAAA will hold a training course during this month based on the IVS book. Four hundreds trainees will participate in this course in different cities in Gaza and West Bank.

It is worth mentioning that the PAAA has previously submitted an application of membership to the IVSC.

17/6/2002

AL AYYAM



### صدور ترجمة عربية لكتاب 'معايير التقييم الدولية ٢٠٠١' عن جمعية المحاسبين الفلسطينيين

رام الله - الإيام: أصدرت جمعية المحاسبين والمراجعين الفلسطينيين وبالتعاون مع برنامج قطاع المحاسبة والتدقيق مؤخراً كتاب 'معايير التقييم الدولية ٢٠٠١' الصادر عن لجنة معايير التقييم الدولية بعد الحصول على موافقة رسمية من اللجنة الدولية لترجمة ونشر هذا الكتاب. وذكرت جمعية المحاسبين في بيان لها، أمس، أن هذا الكتاب يعتبر من أهم إصدارات الجمعية لهذا العام، إذ أنه يعتبر الإصدار الأول في الوطن العربي والذي يعرض بشكل تفصيلي معايير التقييم الدولية والتي تزداد أهميتها والحاجة إليها في المجالات المختلفة كمجال المحاسبة المالية، والتدقيق، والتدقيق الداخلي، أو الإدارة والإقراض والعمل المصرفي. وأوضح البيان أنه تمت مراجعة الترجمة العربية والتي قام بها أشخاص مهنيون على درجة عالية من الكفاءة والخبرة من قبل لجنة وضع المعايير في الجمعية والتي تتكون من كل من ماهر أبو شباان، ومجاد البابيض، وعماذ الأعرج، وجمال أبو كوك، ووسالم صياح، وأيمن عودة. وأشار إلى أن الجمعية تهدف من وراء ترجمة ونشر هذا الكتاب إلى اطلاع جميع المعنيين والعاملين في مهني المحاسبة والتدقيق على كل ما هو حديث، وذلك لرفع مستوى الكفاءة المهنية والعملية لديهم، خاصة أن نطاق ممارسة التقييم أخذ بالانحسار. موضحاً أن هذا الكتاب سيساعد مهني الممتلكات المهني في زيادة خبرته ومقدرته لتقدير القيمة - عادة قيمة الأصول غير المنقولة - لأغراض مختلفة في الأقرار المالي. وأضاف: كما أن الكتاب يقدم معلومات مفيدة وقيمة إلى مدقق الحسابات عند مراجعة مدى عدالة البيانات المالية وتقديرات إدارة الشركة. وأما بالنسبة للمدقق الداخلي فإنها تساعد في تقييم الأنواع المختلفة من الأصول، والآلات، والأرض، والمباني عند القيام بالشراء أو البيع، وذلك لخدمة أغراض الإدارة. وأشار البيان إلى أن الصفحات الستة لهذا الكتاب تضم معايير: الأول - القيمة السوقية، والثاني القيم غير القيمة السوقية، بالإضافة إلى تطبيقات عملية تفسر هذين المعيارين، كما أنه يقدم شرحاً وافياً لقواعد السلوك المهني الخاصة بمعايير التقييم الدولية، وأيضاً، ملاحظات توجيهية ومقاهيم ومبادئ التقييم العامة كأنواع الممتلكات، ومقاييم الأرض والممتلكات. وما يميز هذا الإصدار عن غيره أنه الأول الذي يحتوي على الرقم الدولي للكتاب (ISBN) بالإضافة إلى شيفرة الإصدار. وأوضح البيان أن قطاع المحاسبة يقوم بإعداد مادة لدورة تدريبية ستعدها جمعية المحاسبين والمراجعين الفلسطينية حول هذا الكتاب والتي ستستمر ٤٠٠ شخص موزعين على مدن الضفة وغزة خلال الشهر الحالي. يذكر أن الجمعية كانت في وقت سابق قد قدمت بطلب للحصول على عضوية لجنة معايير التقييم الدولية.

18/6/2002

ALHAYYAT NEWSPAPER

# الحياة الاقتصادية

## The PAAA Organizes its 6<sup>th</sup> Public Meeting

The PAAA organized yesterday its sixth open meeting that took place for the 1<sup>st</sup> time in Bethlehem in addition to Gaza, Ramallah, Hebron and Nablus. The attendees discussed several issues most important is the issuing of the IVS Book. This book is the most important publication of the PAAA for this year.

The IVS book was published thanks to the efforts of the standards committee in the PAAA and its members who did review the Arabic translation of the book. The book was translated by professional Palestinians after the PAAA obtained a copyright permission from the IVSC to accomplish this work. The rapid economic changes and the globalization of investment markets underscored the need for internationally accepted standards for reporting the value of property especially that without these IVS there will be a chance for confusion.

This eight chapters book presents different methods of valuation that could help any accountant or administrator in various purposes for which property valuations are required including use in financial statements, decisions on loans & mortgages, secured by property, transactions involving transfers of ownership.

This book doesn't only benefit those working in the financial accounting field but also in auditing, internal auditing, management, management accounting and others.

There was also a discussion about the 13<sup>th</sup> edition of The Palestinian Accountant Magazine. This comprehensive edition contains a reading in the IAS 580 " Management Representation ". In addition, there are articles dealing with the profession in Palestine & other accounting issues such as the Auditor Report, Cost and Cost Reduction, Internal Auditor, Administrative and financial report for the last election period.

The attendees brought up the importance of CPE Department in the association & its role in developing and updating the knowledge and the skills of the accountants. Mr. Ali Naemi, head of the CPE Department, said the PAAA is setting an ongoing and comprehensive training program similar to that of the IFAC. The association will provide the trainees with all the necessary training materials in Gaza and West Bank. The PAAA is implementing a training course for the auditors and accountants in cooperation with the A&ASP.

During the meeting, the A&ASP presented certificates of contribution to the standards committee's members who reviewed the IVS translation. It also distributed certificates to the members of the ethics committee who worked hard to publish the code of ethics booklet that includes the code of conduct standard issued by the IFAC.

18/6/2002

ALHAYYAT NEWSPAPER

# الحياة الاقتصادية

## جمعية المحاسبين والمراجعين تعقد اجتماعها الدوري السادس

رام الله - نظمت جمعية المحاسبين والمراجعين أسس اجتماعها الدوري السادس والذي عقد لأول مرة في بيت لحم بالإضافة إلى كل من غزة ورام الله والخليل ونابلس وتناول أعضاء الجمعية المشاركة والحضور عدة قضايا أبرزها إصدار الجمعية لكتاب معايير التقييم الدولية والذي يعتبر من أهم إصدارات الجمعية لهذا العام جاء هذا الكتاب لتتوجه لجهود لجنة وضع المعايير في جمعية المحاسبين والمراجعين الفلسطينية بكافة أعضائها والتي عملت على مراجعة الترجمة العربية التي ترجمها مهندون فلسطينيون ذوي كفاءة وخبرة عشرين وذلك بعد حصول الجمعية على موافقة رسمية من لجنة معايير التقييم الدولية لإتمام هذا العمل المهم لتسهيلات الاقتصادية السريعة واتوجه الصريح نحو العوالة في

أسواق الاستثمارات دعمت المحلجة التي وجود معايير مقبولة دولية لتقييم المشتريات لأن عدم وجود معايير دولية للتقييم يؤدي إلى افتعال وجود احتياش كبير.

الكتاب يفصله الثمانية يعرض أسباب التقييم المختلفة التي يمكن لأي محاسب أو مراقب الاعتماد عليها عند اتخاذ قراراته الخاصة بعملية البيع أو الشراء أو عند الحاجة إلى إعداد تقارير مالية للخلي قرار نقلي فيها الأصول بالتقييم السوقية مثل التقييم العمومية للعدة على أساس التكلفة الجارية.

وهذا الكتاب ليس فقط من منفعته في مجال المحاسبة المالية بل يتخطاها إلى التدقيق الداخلي الداخلي الإداري المحاسبة الإدارية الإفراض وغيره.

كما أنه الحديث عن إصدار العدد الثالث عشر من مجلة المحاسب الفلسطيني والتي تميزت بالشمولية

في طرحها للمواضيع لا يضح هذا العدد قراءة متخصصة في المعيار المحاسبي رقم 10 بالقرارات الإدارية كما يحتوي العدد على مقالات تتناول مهنة المحاسبة والتدقيق في فلسطين وبعض القضايا المحاسبية مثل العناصر الأساسية لتقرير التدقيق الشريب ونوره في التنمية والتكلفة وتخليق عناصر التدقيق الداخلي والتقرير الإداري والدالي للفترة الزمنية للفترة.

وتنظر للشاركون في أهمية التدقيق المهني المستمر في جمعية وأبرز الأمور الأساسية الذي يجمع التريبيل نتيبة وتحديث المعلومات للمحاسبين والمراجعين.

واقف على انشغاس رئيس لجنة التعليم المستمر مزم الجمعية تجني خطة متكاملة تهدف إلى إنشاء برنامج مواصلة التعليم المهني المستمر في الجمعية قادر على توفير جميع المواد التدريبية اللازمة للمحاسبين للمحاسبين.

والمراجعين في غزة والخليل وذلك في إطار برنامج التعليم المستمر الذي ينفذه الاتحاد الدولي للمحاسبين يستمر أن جمعية المحاسبين والمراجعين الفلسطينية تقوم الآن بعمل دورات تدريبية متكاملة لأرجاعي المحاسبين والمتعاون مع برنامج قطاع المحاسبة والتدقيق وتم خلال الاجتماع توزيع شهادات تقدير من مشروع قطاع المحاسبة والتدقيق على لجنة وضع المعايير التي قامت بعملية ترجمة كتاب معايير التقييم الدولية كما تم توزيع شهادات أيضا على أعضاء لجنة أدب وسلوكيات لجنة تقدير الجهوريات في إصدار كتيب أدب وسلوكيات للجنة إصدار جمعية المحاسبين والمراجعين الفلسطينية والذي يحتوي على معايير السلوك المهني الصادرة عن الاتحاد الدولي للمحاسبين.